

Clinton Weighs U.S. Troops for Bosnia Enclaves

By Ann Devroy and Ruth Marcus
Washington Post Service
WASHINGTON — President Bill Clinton said Thursday that European opposition to his arm-and-strike proposal in Bosnia had forced him to re-examine options he previously had discarded, such as adding U.S. troops to the international force protecting civilian enclaves or using air strikes alone.
 Mr. Clinton, in an interview with The Washington Post, expressed his reservations about

any of the options preferred by the Europeans and Russians and said the best he could get from two weeks of intensive diplomacy by himself and Secretary of State Warren M. Christopher was an agreement by international leaders to at least leave his proposal on the table if other routes fail.
 The lengthy discussion of Bosnia brought

Mr. Clinton's first description of his military proposal, his deep unwillingness to try to lead a U.S. military effort in hopes the Europeans will follow, and the sense that the Clinton administration finds it has made little progress on Bosnia.
 "I still believe the international community has an interest in containing the conflict, stopping the border aggression, stopping the violence and bloodshed," he said, and "our view was that the most sensible way to do that was to have a very disciplined lifting of the arms embargo

to try to level the playing field and confining this whole air strike notion to the threat of using that if the heavy artillery attacks continue."
 Mr. Clinton said his judgment was that "we should press the Europeans not to take our preferred strategy off the table" and then recognize "with some sensitivity" their strong feeling that the allies should take "a few more days" for the weekend referendum on Bosnia Serbs.
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Peseta's Devaluation Shows New Cracks In EC Currency Plan

By Richard W. Stevenson
New York Times Service

LONDON — Europe's smallest monetary system was shaken again Thursday when Spain and Portugal devalued the value of their currencies, casting additional doubt on the European Community's plans to forge closer economic links.
 The action came just five days before Denmark was to vote a second time on whether to ratify the Treaty on European Union, which sets out a process for creating a single currency and a European central bank.
 A vote in Denmark in June 1992 to reject the treaty rocked financial markets and led to a currency crisis in September, when Europe's system aimed at establishing stable exchange rates nearly collapsed. All 12 members of the European Community must ratify the treaty for it to come into effect.
 The 8 percent devaluation Thursday in the Spanish peseta against the other European currencies, and the 6.5 percent devaluation in the Portuguese escudo, also came as Spain prepared for a general election on June 6. They highlighted the political difficulties for governments seeking to meet their commitments under the monetary system to maintain stable currency values at a time of deepening European recession.
 The peseta had been under pressure for months from currency speculators testing the resolve of the government, which had said as recently as Wednesday that it would hold out against a devaluation.
 Having nearly exhausted the foreign currency reserves needed to prop up the peseta's value by buying it in the open market, however, the government of Prime Minister Felipe Gonzalez proved unwilling to take the only other available step — raising interest rates when Spain's economy is badly weakened and his Socialist Party is in a neck-and-neck race with the conservative opposition to remain in power. Interest rates in Spain are already among Europe's highest, with benchmark rates as high as 18 percent in recent days.
 After the devaluation, however, Spain said it would lower its intervention rate.
 "It was pretty clear that the pain threshold in Spain was pretty low and that the priority is getting interest rates down," said Ian Amstad, an economist at Bankers Trust in London.
 The arguments for maintaining currency stability — mainly that it will facilitate trade within Europe and impose a discipline to hold down inflation — have looked increasingly weak to other governments as well in recent months. Britain, which dropped out of the monetary system last fall, has been able to slash its interest rates from 10 percent to 6 percent, helping spark a recovery despite the ongoing weakness of the pound.
 The devaluation Thursday was the third for Spain since September within the monetary system, the centerpiece of the European Community's efforts to create a seamless economy unencumbered by trade restrictions or currency fluctuations. It was the second devaluation for the Portuguese escudo, which is tied closely to its Spanish counterpart because of the large volume of trade between the nations.
 Economists said the devaluations emphasized the deep split between the "hard core" of strong, stable currencies in Germany, France, Belgium, the Netherlands, Luxembourg and Denmark and the currencies of the remaining community members.
 The French franc, which has come under intense speculative pressure over the last eight months, remained stable Thursday even though the Bank of France nudged interest rates down slightly.

[The Bank of France cut its intervention rate, which sets the floor for money market rates, to 7.75 percent from 8 percent, Reuters reported from Paris. It also lowered its five-to-10-day rate, which acts as an interest rate ceiling, by a quarter-point to 8.75 percent.
 [The reduction came as a surprise to many economists, who had not expected a new rate cut before the Danish referendum on Tuesday removed that uncertainty factor for the market.
 [France's six successive quarter-point cuts in the intervention rate since April 13 have been possible because of the confidence international investors have shown in the policies of the new prime minister, Edouard Balladur, a conservative, and have been aided by falling German interest rates.
 High German rates were a major contributor to the currency turmoil last fall, forcing other nations to choose between keeping their rates high and allowing their currencies to drop in value. High interest rates make investing in a
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TODDLERS HELD HOSTAGE NEAR PARIS — A mother carrying her child from a nursery school in the Paris suburb of Neuilly-sur-Seine on Thursday after he was released by a gunman who seized 21 children and their teacher. He was demanding a ransom of \$18.4 million. Fourteen of the children were freed by nighttime. Page 2.

All Eyes Are on Japan on Eve of Trade Session

By Peter Behr
Washington Post Service
WASHINGTON — The Clinton administration and the European Community are teaming up to seek major trade concessions from Japan in a new effort to revive the long-stalled negotiations on a new global trading agreement, U.S. and EC officials say.
 Over the past month, the administration and the Community have narrowed their own differences on industrial tariffs considerably, leading them to turn their attention to Japan at Friday's meeting in Tokyo of trade officials from the United States, Japan, Canada and the 12-nation European Community.

A deep reduction in industrial tariffs and other trade barriers by these major economic powers is now seen as the carrot that triggers other market-opening steps by the nearly 100 other members of the General Agreement on Tariffs and Trade, breaking the impasse that has blocked the negotiations in Geneva for more than six years.
 "Japan bears a disproportionate responsibility" to offer significant reductions in its tariffs and other barriers to foreign products and services, a senior U.S. trade official said.

Recent talks headed by the U.S. trade representative, Mickey Kantor, and the EC trade commissioner, Sir Leon Brittan, have brought them close to a major agreement on mutual tariff reductions, officials said.
 The United States wants to eliminate tariffs in such important industrial product areas as electronics, pharmaceuticals, wood and paper products and farm equipment. The Community is pressing the administration to bring down high tariffs on a small number of vulnerable but politically influential American industries, such as shoes and glassware.
 A high-ranking EC official said "the signs of

See GATT, Page 2

France Unveils a Tough New Policy on Trade
 France's new center-right government unveiled a tough trade policy Thursday, rejecting a trans-Atlantic agreement on farm trade reached last November, rebuking the United States for resorting to unilateral reprisals, and contending that liberalism in world trade is not enough when European jobs are threatened. (Page 11)

Senate Removes Andreotti's Immunity

By Alan Cowell
New York Times Service
ROME — The Italian Senate voted by a show of hands Thursday to strip the seven-time prime minister, Giulio Andreotti, of immunity from investigation into charges of Mafia association, even as law enforcement agencies rounded up scores of mobsters from all three of the country's principal organized crime gangs.
 While the two developments were not formally related, they illuminated the dramatic shift from only a few years ago when the mob seemed to act with impunity because of what many Italians perceived as high-level political protection in Rome.
 [Rome magistrates officially advised Environment Minister Valdo Spini that he was under investigation for suspected corruption, Reuters reported Thursday, citing the ANSA news agency. Mr. Spini, 47, a Socialist, is the first member of Prime Minister Carlo Azeglio Ciampi's two-week-old government to fall under suspicion in the country's bribery scandal.]
 Mr. Andreotti, 74, a Christian Democrat, is accused by Mafia informers of being the mob's "point of reference" in the capital — an allegation that the Italian elder statesman again denied on Thursday, before the Senate vote, as "absolutely and totally false."

"As confident as I am of earthly justice, the tranquility of my conscience rests on the rests on the certainty that there is a higher tribunal, the tribunal of God," he told fellow senators.
 The sweeps against the Sicilian Mafia, the Calabrian 'Ndrangheta and the Neapolitan Camorra were the most spectacular since January, when the Sicilian Cosa Nostra's presumed boss of all bosses, Salvatore (Totò) Riina, was arrested in Palermo.
 Those seized in the latest raids included the fugitive Camorra boss, Michele Zaza, arrested by French police in a villa on the Riviera near Nice.
 Investigators suggested, however, that the raids might not head off what the authorities fear will be a new and major outrage designed to assert that the mob's continued presence, possibly around the first anniversary on May 23 of the murder of the anti-Mafia crusader Giovanni Falcone.
 "There have been indications recently that preparations are under way for a new attack on state authority," said Bruno Sicari, the country's leading anti-Mafia investigator. "The Mafia should know that the state is stronger and will not stand idly by."
 Until recently, the decision to permit Sicilian

Mr. Andreotti listening to Senate debate Thursday over the lifting of his immunity.

Kiosk

UN to Pull Out 286 From Iraq
GENEVA (AP) — The United Nations will start withdrawing guards protecting Kurds in northern Iraq because of a lack of funds, a UN official said Thursday. Fifty guards will be pulled out Friday and Saturday, and the rest of the 286 will be withdrawn in stages unless member states give more money.
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Bridge	Dow Jones	Trib Index
	Down 34.32	Down 0.44%
	3,447.99	99.16

The Dollar
 New York, three close previous close

DM	1.615	1.6105
Pound	1.522	1.534
Yen	111.85	111.535
FF	5.451	5.43

Cash Crisis in the West Bank Slashing of Gulf State Funds Squeezes PLO

By David Hoffman and Nora Boustany
Washington Post Service
BIR ZEIT, West Bank — For four years during the Palestinian uprising, Israeli authorities shut down Bir Zeit University, the largest Palestinian university in the West Bank. On a recent afternoon, it was open again, but classes were canceled for another reason — the students and teachers were on strike.
 The teachers had not gotten their March paychecks, and the students were protesting a tuition rise.
 What is happening at Bir Zeit is part of a financial crisis that has rocked Palestinian institutions throughout the occupied West Bank and Gaza Strip and sharply reduced the resources of the Palestine Liberation Organization under Yasser Arafat.
 Since the Gulf War, Palestinians have been suffering from a deepening economic plight. First, expulsion of their workers from Kuwait dried up millions of dollars in remittances they had regularly sent back to the Israeli-occupied territories. Then, the Gulf states slashed financing for the PLO and its major institutions in the territories. More recently, most Palestinians have been barred from working in Israel, further cutting their income. And the uprising itself, the *intifada*, caused economic disruption.
 The United Nations Development Program, citing Israeli sources, said this week that there had been a cut of \$450 million in remittances sent home from Gulf workers since the end of the war and a drop of \$750 million in aid from Gulf states to Palestinians in the territories.
 The stateless Palestinians have long viewed institutions such as Bir Zeit as important symbols of their national identity. But in the last few years, those institutions have seemed to be crumbling. Hospitals and universities are months behind in their payrolls and rifle with strikes, newspapers have been closed to save money, and there have been allegations of corruption within the PLO.
 In perhaps the most significant indicator of the depth of the crisis, the PLO's payments to families of prisoners and those killed in the five-year-long intifada — long regarded as sacrosanct — have been reduced sharply.
 "The institutions were dependent on outside support, mainly support from the Gulf and oil-rich states," said Bir Zeit's vice president, Gabi Baramki. "Since the Gulf War this has dried up."
 The Gulf states cut their aid when Mr. Arafat

embraced President Saddam Hussein of Iraq after his invasion of Kuwait. In the occupied territories, that embrace is now denounced by many Palestinians as a serious blunder.
 Palestinian sources say Arab countries used the financial crisis to prod Mr. Arafat to persuade the Palestinian delegation to return to the peace talks in Washington. The sources said the Palestinians had received promises from Saudi Arabia, through the United States, that the Saudis soon would resume some financial aid. But the Palestinian sources said they were still waiting for it.
 One impact of the crisis has been to weaken the PLO-backed establishment and institutions within the territories at a time of continuing competition with the militant Islamic group Hamas. Hamas and the smaller Islamic Front group reportedly have gotten millions of dollars from Iran and Saudi sources and have continued to get the money since the Gulf War, although Israel has tried to disrupt this flow since the deportation in December of 400 suspected Islamic militants.
 According to Palestinian and Israeli sources, Hamas has always made the most of its resources, relying on local volunteers with spartan lifestyles, compared with the far-flung, costly operations of the PLO. While the PLO institutions have been struggling, Hamas has been able to set up rival social and educational services.
 See MONEY, Page 5

Airlines Move to Switch Off Passengers' Gadgets

By Adam Bryant
New York Times Service
NEW YORK — American Airlines will join the growing number of carriers that have banned the use of laptop computers, compact-disk players and other electronic devices during takeoffs and landings. The policy underlines an emerging safety issue in which questions outnumber answers.
 Although there is no scientific evidence that such devices interfere with planes' navigation or communications systems, the restrictions stem from a growing number of reports by pilots that their navigation instruments were inexplicably disrupted in flight and that they resumed normal operation when flight attendants asked passengers to turn off these electronic devices.

At least one carrier, Swissair, has reported that the disruptions then recurred when the CD players were turned on again.
 Because American is the largest U.S. carrier, its policy, which it hopes to put into effect by July, is expected to draw new attention to a debate among airline-safety experts over whether the radio signals that all such devices emit can indeed throw off compasses and other instruments.
 No accident is known to have been caused by a computer or other electronic device, even indirectly.
 A 1988 study commissioned by the Federal Aviation Administration found no conclusive proof of an effect on instruments, but it did suggest that the use of such devices be banned before and after takeoff and landing, when

most accidents occur and pilots have their greatest workload. A second study is under way; an interim report is due in October, and a final report is expected next year.
 Federal rules ban the use of devices like cellular phones that transmit or receive signals. But they leave rule-making on laptop computers, compact-disk players and hand-held video games to the individual carriers and their pilots.
 United Airlines, for example, allows the use of computers and the like during most of a flight, but Northwest in March restricted the use of such devices at altitudes below 10,000 feet (3,000 meters), as will American. Most airlines ask passengers to stow their computers under their seats.
 See PLANES, Page 5

Talks on Palestinians End Without Decision

Israelis and Palestinians have ended their ninth round of peace talks without reaching an agreement on principles of Palestinian self-rule in West Bank and Gaza Strip.
 The United States intervened directly in the talks for the first time and presented a paper trying to bridge the differences on self-rule. Washington had bargained since December to persuade the Palestinians to resume the talks, and was determined that this round should produce a result after 18 months of haggling.
 But an Israeli official said the U.S. proposal was not even discussed at the final meeting in Washington on Thursday. (Page 5)

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Tougher Rules on French Citizenship Approved

By Alan Riding
Paris — In what is seen as the first step toward tighter controls on Third World immigration, France's new conservative-dominated Parliament voted Thursday to make it more difficult for children born in France of foreign parents to become French citizens.

growing opposition to non-European immigration.
Polls say that the change in the country's nationality code has the support of three out of four French. They also show strong public backing for tougher measures to halt illegal immigration, to repatriate immigrants who commit crimes and to limit the entry of close relatives of legal immigrants.

Life Term For German In Killing

STUTTGART — A German court sentenced a 25-year-old man to life imprisonment for murder on Thursday for beating an Albanian refugee to death with a baseball bat during a gang attack.



Chancellor Helmut Kohl, right, and Foreign Minister Klaus Kinkel, left, at parliament on Thursday, where Paul Krueger, center, was sworn in as science and technology minister, replacing Matthias Wissmann, who succeeded Günther Krause at transportation.

Scandal Claims a 3d German Politician

WIESBADEN, Germany — The minister for women's affairs in Germany's central Hesse state resigned Thursday, the third politician in two weeks to step down amid scandal.

Man Holds Toddlers Hostage Near Paris

Compiled by Our Staff from Dispatches
NEUILLY-SUR-SEINE, France — A masked man armed with a revolver and claiming to have a bomb took a nursery school class hostage Thursday in this wealthy Paris suburb and demanded 100 million francs to "avoid a tragedy."

Twenty-one children, mostly 3-year-olds, were held at first, but 14 were later freed. The captor also held their teacher, Laurence Dreyfus, officials said.

WORLD BRIEFS

Aspin Scales Back on SDI Program

WASHINGTON (AP) — Defense Secretary Les Aspin announced a reorganization and scaling back Thursday of the Pentagon's anti-missile defense programs.

U.K. Rejects Royal Bugging Inquiry

LONDON — The British minister in charge of security services Thursday ruled out an official inquiry into "dirt" allegations that intelligence agents had bugged Prince Charles and Princess Diana.

Li Peng Is Reported Back at Work

BEIJING (AP) — Prime Minister Li Peng was reported Thursday to have cleared a Chinese government meeting Wednesday for the first time since being hospitalized two weeks ago, but there was still no detailed word on the nature of his illness or his condition.

Nonaligned Group Changes Its Tune

NUSA DUA, Indonesia (Reuters) — Ministers of the 108 nonaligned nations ended a three-day meeting here Thursday, abandoning past polemics and instead declaring war on the developing world's "crippling crisis of indebtedness."

For the Record

Ezer Weizman became the seventh president of Israel on Thursday. The former general, 68, succeeded Chaim Herzog, president for a decade. His uncle, Chaim Weizmann, was the first president in 1948.

TRAVEL UPDATE

On Singapore Airlines, In-Flight Fax

SINGAPORE (Reuters) — Singapore Airlines said Thursday it had become the first commercial carrier to offer an in-flight fax service. It said the service was a companion to its satellite-linked Skyphone, begun in September 1991.

Cash Machine on the Run: Next-Generation Thief

HARTFORD, Connecticut — This is a tale of audacity, high-tech thievery and, to no small degree, loss of innocence. For it seems that even the lowly automated teller machine, so common as to be almost invisible in malls and marketplaces everywhere, is not always to be trusted.

Serbian General Keeps UN Aid From 'Safe Areas'

By John Pomfret
SARAJEVO — The commanding general of the Bosnian Serbs has barred UN humanitarian aid from reaching UN-mandated "safe areas" in eastern Bosnia and refused to pull back besieging troops in violation of a cease-fire agreement he signed last week.

Advertisement for "Harry's New York Bar" featuring a portrait of Anthony Sampson and the text "People at the top read the Trib."

Advertisement for "Happy Birthday JASON AMINI" and "Perfumes-Cosmetics Fashion Gifts" from Michel Swiss.

GATT: All Eyes Are on Japan

(Continued from page 1)
progress are there" on these issues. He added, "We certainly think the time has come for the Japanese to make their contribution to the debate."

U.S. Hesitant on Troops

The White House said Thursday that America's European allies want U.S. troops sent to Kosovo as well as Macedonia to keep the war in Bosnia-Herzegovina from spreading, but that such a move is not imminent.

Citing Gains After 3 Years, Blacks End Boycott of Miami

WASHINGTON (AP) — The black boycott of Miami County now has four blacks on the county commission and is represented in Congress by two black Democrats. Representatives Carrie P. Meek and Alice Hastings, both Democrats.

STATESIDE / THE JOBS BILL, AGAIN

Clinton's Shrinking Jobs Plan

By Eric Pianin
Washington Post Service

WASHINGTON — With time running out, the Clinton administration has offered congressional Democrats yet another suggestion for salvaging its jobs program, this time a \$900 million version, about one-eighth the size of its original plan.

A day earlier, the White House suggested a nearly \$4 billion proposal, but that one got a cool reception from Senate Democratic leaders and some Democrats in the House who guide appropriations.

Republicans, meanwhile, have offered their own proposal, which they say would create 800,000 jobs.

The latest Democratic proposal, which includes \$300 million for summer jobs, \$200 million to enable cities to hire additional police officers and \$400 million for wastewater treatment projects of the Environmental Protection Agency, was said by some to show the administration's desperation.

"It's getting to be ludicrous," said a House Democratic source familiar with the negotiations.

The \$900 million plan, proposed

as part of a 1993 supplemental spending bill awaiting action by the House Appropriations Committee, would be paid for with offsetting, across-the-board cuts in other domestic programs.

The administration is trying to come up with a plan that does not add to the 1993 deficit, in order to satisfy Senate Republicans.

The chairman of the House Appropriations Committee, William H. Natcher, Democrat of Kentucky, and his Senate counterpart, Robert C. Byrd, Democrat of West Virginia, have asserted that approving a jobs bill that did not involve deficit spending would do virtually nothing to stimulate the economy.

Other critics believe that it is getting so late in the fiscal year that even if a bill were adopted in the next few weeks, it would make no appreciable difference in this summer's employment outlook.

However, the White House, anxious to pacify big-city Democratic supporters, and the House speaker, Thomas S. Foley, Democrat of Washington, continue to press for a compromise. Mr. Foley is coming

under mounting pressure from liberal Democratic House members to push through a scaled-back version of the original \$1.3 billion jobs bill adopted by the House.

An aide to Mr. Foley said Wednesday that the leadership was concerned that unless it offered another jobs package, it ran the risk of losing crucial Democratic support for the overall budget and tax bill, which is to come to a vote later this month in the House.

■ **Republicans Offer Plan**

Senate Republicans unveiled a package of tax breaks Wednesday that they said would create 800,000 jobs. The Associated Press reported from Washington.

The plan, in stark contrast to Mr. Clinton's proposal, proposes \$36.6 billion worth of tax cuts for businesses, the well-to-do and holders of individual retirement accounts.

The tax breaks would be more than offset by \$45.7 billion worth of spending cuts, mostly by reducing administrative expenses, reducing payments to retired government workers, and cutting transportation projects and foreign aid.

★ POLITICAL NOTES ★

An Issue of Trust, Hotly Debated

WASHINGTON — Congressional Democrats leapt to President Bill Clinton's defense after Republicans harshly criticized his plan to create a deficit-reduction trust fund.

The White House said the proposal proved Mr. Clinton's commitment to limiting government debt. Republicans called it a public-relations ploy that would have no real effect on cutting the deficit.

"This idea takes the blue ribbon as the most genuinely phony proposal I have ever seen on the American budget," said Senator Phil Gramm, Republican of Texas. "I think this is a transparent attempt to mislead the American people."

But the House speaker, Thomas S. Foley, Democrat of Washington, said the fund would help persuade people "that taxes that will be levied are exclusively for the purpose of deficit reduction."

The chairman of the Senate Budget Committee, Jim Sasser, Democrat of Tennessee, noted that the budget plan approved by Congress last month already contained caps making it hard for lawmakers to drive up the deficit.

But he said: "President Clinton is attempting to assure the American people that all of his proposed tax increases will go toward reducing the deficit. That is a laudable goal." (AP)

Reno Pushes Abortion Clinic Bill

WASHINGTON — Attorney General Janet Reno has urged Congress to move swiftly to make violence or threats against abortion providers and women seeking abortions a federal offense.

Testifying before the Senate Labor and Human Resources Committee, Ms. Reno asserted that the legislation would not threaten the free-speech rights of abortion foes.

She said it was needed because "in recent years, anti-abortion activists have increased the intensity of their activities from picketing to physical blockades, sabotage of facilities, stalking and harassing abortion providers, arson, bombing" and the murder of a doctor at a Florida abortion clinic.

The hearing produced little direct criticism of the bill, introduced by Senator Edward M. Kennedy, Democrat of Massachusetts, who heads the committee. (NYT)

Quote/Unquote

Ellie McCully, who had brought her son to see Bill Clinton when the president visited New York: "Why isn't there more of a crowd? When the Pope came to town, every street was packed with people — and there was torrential rain." (NYT)



Mr. Clinton at a Democratic fund-raising dinner in New York.

Company Pensions Vanishing in U.S.

By David A. Vise
Washington Post Service

WASHINGTON — Millions of American workers will lack the money to support themselves as they grow older because of a drastic decline in the popularity of company-provided pensions, according to interviews with dozens of experts and several recent studies.

The rapid demise of pensions, one of the most profound changes in retirement benefits in decades, is the latest example of companies transferring financial risks and costs to their employees.

For decades, thousands of American companies provided employees with pensions. But in the last several years, large firms have embraced savings plans that rely heavily on voluntary employee contributions.

In addition, most small and midsize companies — which have created most of the new jobs in recent years — have abandoned pension plans, opting for savings plans or no retirement benefits at all.

The major problem, experts said, is that many employees do not participate in savings plans. And among those who do, many withdraw their money and spend it while they are still working, leaving little if any funds for retirement.

"This trend away from pensions is going to dramatically increase the number of older Americans who cannot make ends meet in retirement," said Karen Ferguson, director of the Washington-based Pension Rights Center. "It is a shocking trend, it is recognized by everybody in the pension community, but nobody is speaking out about it."

J. Carter Beese Jr., a Securities and Exchange Commission member who has been studying the shift, agreed that the heavy reliance on what are called 401(k) savings plans will produce major problems as baby boomers approach retirement age.

Many employees, faced with a choice between voluntary saving for retirement and what they perceive as more pressing needs — from buying a new car to paying the mortgage, medical bills, education and vacation expenses — choose not to participate in their 401(k) savings plans, he said.

By the time they reach their late 40s or early 50s and begin worrying about retirement, it is usually too late for them to amass enough savings in 401(k) plans, he said.

"A whole generation of people are going to wake up years from now and say, 'God, I wish I had known when I was 32 that I should have been putting this money in,'" said Myron Mintz, chairman of the federal Pension Benefit Guaranty Corp.'s advisory committee and a partner at the Washington law firm of Dickstein, Shapiro & Morin.

At Apple Computer Inc. — where more than 90 percent of employees participate in a 401(k) plan — many have withdrawn funds and spent them on housing and other items while they are still working.

In California, where Apple is based, "housing costs are so high and tax rates are high," said Sherrie Grabot, manager of the 401(k) plan at Apple. "People need something to give them a tax break in the short run so they can save for the house. Out here where real estate values appreciate faster than anything, but medical costs, that is not necessarily a bad thing."

Mr. Beese disagrees. "The baby boomers are leading a lifestyle from the last third of their life," he said. "If you are going to use retirement assets to fund current consumption, you are lessening from your future standard of living."

The growing cost and complexity of federal regulation of pension plans is one of the main reasons many companies now shun them.

Virtually all major employers offer 401(k) savings plans and their popularity has increased so much in the past decade that they now cover more than 36 million active workers, roughly 10 million more than are covered by traditional pension plans, according to David George Ball, assistant labor secretary under President George Bush and is a partner with the Williams, Mullien, Christian & Dobbins law firm.

Mr. Ball calls traditional pension plans "dinosaurs" and says the shift to 401(k) plans especially benefits employees who change jobs frequently. Traditional pension plans tend to favor those who stay with a single employer for many years. Many of the large employers offering employees both types of plans are putting most of their new retirement dollars into savings plans, he said.

Away From Politics

- About 200 would-be Chinese immigrants on a rusty, leaking trawler came ashore Wednesday in San Diego. The vessel, the second such boat to reach the West Coast in recent weeks, was forced to dock by the Coast Guard. Officials said the 200 undocumented immigrants had paid between \$8,000 and \$20,000 to make the voyage.
- Sunscreens and tanning products should carry warnings on the dangers of sun exposure, the Food and Drug Administration proposed. It also urged that cosmetic products that only promote tanning, but do not screen against the harmful rays, caution that they do not protect against sunburn. "There is overwhelming evidence that overexposure to radiation from the sun is a health hazard," the agency head, David A. Kessler, said.
- Bulldozers rolled across the rubble of the compound of the Branch Davidian cult near Waco, Texas, prompting complaints from the lawyer of a person killed in the fiery end to a standoff with federal agents. Jack Zimmermann, the lawyer for Steve Schneider, said the bulldozing would hamper independent investigation of the site. The compound burned to the ground April 19, killing 86 people.
- A former San Francisco police officer pleaded not guilty to charges of stealing government documents and conspiracy. Tom Gerard, 50, is suspected of passing confidential police information to a San Francisco art dealer, Roy Bullock. According to court papers, he in turn sold information to South African agents and was also in the pay of the Anti-Defamation League, a Jewish group. Investigators say they collected information on rightists groups, apartheid foes, Arab activists and anti-Jewish groups. Mr. Bullock has not been charged and denies wrongdoing.
- Laws that would have revoked licenses in Virginia of suspected drunk drivers and increased penalties for illegal buyers of pistols have been killed in a squabble between Governor L. Douglas Wilder and the General Assembly. Legislative leaders asserted that the governor signed an invalid version of the drunken driving bill. The gun bills died in a dispute over amendments. L.A.T. AP, Reuters, WP

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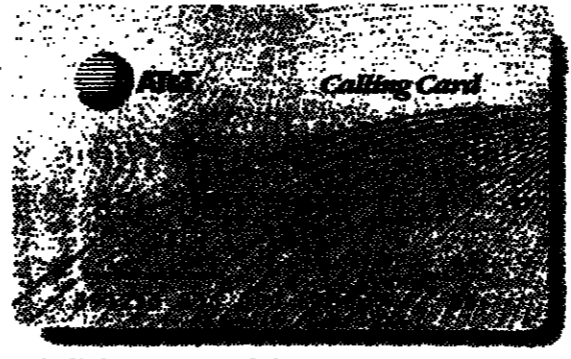
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Vertical text on the right edge of the page, including 'Japan' and other partial advertisements.

Mideast Talks Are Stalled

Self-Rule Issue Still Unresolved

WASHINGTON — Israeli and Palestinian peace talks Thursday ended without reaching an agreement on the principles of Palestinian self-rule in the Israeli-occupied West Bank and Gaza Strip.

Haider Abdel-Shafi, the chief Palestinian negotiator, said, "I regret to say that we did not reach agreement that permits a declaration about agreed principles. So we end this round without reaching this hoped-for agreement."

"I want to assure you," he said, "that we remain committed to the peace process and we hope that this peace process will acquire more credibility that will permit progress in the future."

The United States intervened directly in the talks for the first time Wednesday and presented a paper trying to bridge the differences on self-rule. Washington had bargained since December to persuade the Palestinians to resume the talks in April, and it has been determined that this round should produce a solid result after 18 months of haggling.

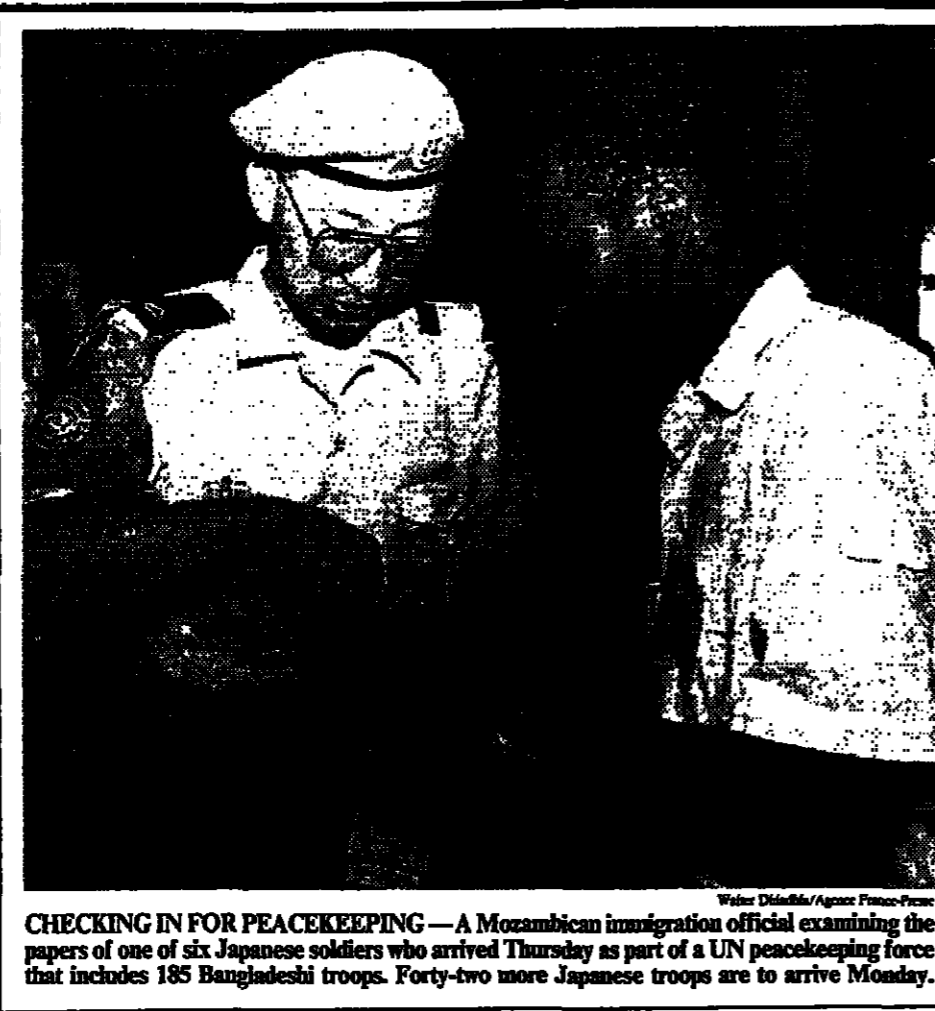
But an Israeli official said the U.S. proposal was not even discussed at the final meeting.

Mr. Abdel-Shafi said the Palestinians had not rejected the U.S. document, which he described as a "progress report," and added that Palestinians were meeting with U.S. officials on Thursday to discuss it.

This contradicted a statement by the Palestine Liberation Organization in Tunis, the second time in two days that a PLO announcement has been at odds with actions of the Palestinian delegation in Washington.

Yasser Abed Rabbo, the PLO's information chief, said the U.S. draft was a compromise, but a remake of Israeli proposals, and could not be discussed.

He said the United States had taken "a dangerous step because it means that the U.S. sponsor is openly siding with Israel after committing itself to take a neutral and honest stand."



CHECKING IN FOR PEACEKEEPING — A Mozambican immigration official examining the papers of one of six Japanese soldiers who arrived Thursday as part of a UN peacekeeping force that includes 185 Bangladeshi troops. Forty-two more Japanese troops are to arrive Monday.

Japan Whaling Bid Rejected

Panel Denies Tokyo's Request for a One-Time Catch

KYOTO, Japan — Japan suffered a setback Thursday in its efforts to weaken a commercial whaling ban when its request for a limited one-time catch was decisively rejected by the International Whaling Commission.

With the commission meeting in Japan for the first time in 25 years, Tokyo had pushed hard for an emergency one-time allocation of 50 minke whales, arguing that whaling was an "integral part of the culture" of coastal communities.

But the Japanese request fell far short of the three-quarters needed for approval, with 10 yes votes, 16 against and 6 abstaining.

Japanese officials had said Tokyo might quit the commission if the moratorium were upheld. But a pullout was considered unlikely because Japan fears it might have trade repercussions.

Environmentalists say the ban is justified because whale population counts are extremely imprecise.

Norway said before the meeting that it intended to resume the commercial hunt with or without the commission's approval. It also has threatened to quit the commission, as Iceland did last year.

MONEY: Loss of Gulf Funding Squeezes West Bank

ian institutions has had widespread repercussions. "It came at a time when economic conditions are not exactly blooming," Mr. Baramki said, referring to the collapse of Gulf remittances and the closure of the occupied territories by Israel.

The most striking cut has been the aid to families of those killed and imprisoned during the intifada. By some estimates, as many as 90,000 families in the West Bank and Gaza have gotten support through the PLO's social affairs department under Mr. Wazir.

A young West Bank Palestinian recalled that in the early days of the intifada, such aid flooded the region as the Arab states sought to show their solidarity. When he was injured at the beginning of the uprising, the Palestinian said, a man showed up at his house to give him 120 Jordanian dinars — about \$180. When he refused, saying he did not need the money, the man insisted that he take it, and give it away if he wanted.

"Tons of money was pouring in," the young man recalled. Now, however, Palestinians come back from the PLO office in Jordan with promises but no cash.

ITALY: Andreotti Loses Immunity Amid New Arrests

magistrates to continue their investigations into Mr. Andreotti would have been unthinkable. For decades, he was viewed as an emblem of postwar Italy's Machiavellian political life and its unassailable master.

On Wednesday, one of his closest associates, Franco Nobili, head of the country's biggest public conglomerate, Istituto per la Ricostruzione Industriale, was arrested on corruption charges.

"Where are they now, the sycophants who used to worship him and take his rewards?" said Carmine Mancuso, a Sicilian senator from the small anti-Mafia La Rete party, speaking of Mr. Andreotti.

3 Candidates to Oppose Rafsanjani in Iran Vote

NICOSIA (Reuters) — President Hashemi Rafsanjani will run against three other candidates in presidential elections June 11, Tehran Radio said Thursday.

Mr. Rafsanjani, 58, a cleric who is pushing free-market reforms, is widely expected to win a second four-year term.

The other candidates are: Ahmad Tavakkoli, a former labor minister; Abdollah Jashi, chancellor of the Islamic Open University; and a former member of parliament, Rajabali Tabari.

CLINTON: Troop Review

On the Vance-Owen peace proposal. He added that it needed to be verified if the border between Serbia and Bosnia had been sealed, as President Slobodan Milosevic of Serbia has pledged, and to "look at other options."

Fire in Burmese Town Levels 2,000 Buildings

BANGKOK — A major fire has swept through the center of the Burmese town of Myingyan, state-run Radio Rangoon reported Thursday.

Yearly Tests Cut Colorectal Cancer Deaths

By Jane E. Brody
New York Times Service

NEW YORK — After decades of debate and inconclusive findings, a major study has shown that a yearly test can significantly reduce deaths from colorectal cancer, the second leading cause of cancer deaths among Americans.

The test also turned up many adenomatous polyps, lesions in the bowel considered precancerous. The life-saving benefit was found even though only 46 percent of the screened group took all 11 of the offered tests.

quarter of a million lives would be saved over the next 13 years, based on current incidence and death rates. The American Cancer Society estimates that 152,000 cases of this cancer will be diagnosed this year, and 57,000 Americans, the vast majority of them over 50, will die of the disease, which ranks behind lung cancer as a cause of death among Americans.

China Eases Up on Threats to U.S. Over Trade

BEIJING — China said Thursday that it "firmly opposed" U.S. conditions on trade privileges, but emphasized its desire for both countries to narrow their differences and stopped short of threatening retaliation.

The United States said last week that satellite photos indicate China is shipping M-11 missiles or parts to Pakistan.

The United States offers most-favored-nation status to most of its trading partners, making them eligible for the lowest available tariffs on their exports. However, China's inclusion must be renewed each June by the president.

legged weapons sales could thwart such progress, he added. "We should understand that Chinese leaders suspect that the West wants to use human rights as a tool to pressure them and change their political system," he said.

PLANES: Use of Electronic Devices Being Restricted

during takeoff and landing. Delta, USAir and All Nippon Airways do not allow passengers to operate CD players at any time during a flight.

Some pilots suspect that the circuitry of CD players emits signals that are more likely to affect a plane's instruments than, say, a cassette player. Imposing even stiffer restrictions, Alia, the Jordanian national carrier, prohibits the use of any electronic device by passengers.

Still, the aircraft builders find themselves in an awkward position. "There's a real perception issue here," Mr. Walen said.

Police in Stockholm Bugged by Gangsters

STOCKHOLM — Criminal organizations have bugged the Swedish police headquarters and listened to investigators interrogating witnesses, the police said Thursday.

Intervention in Bosnia?

The faltering US recovering

Labor strife in Germany

Continuing recession in Europe

US trade with China

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Luxembourg L.F.	14,000	38	7,200	4,200
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Norway N.Kr.	3,300	38	1,500	1,050
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Spain Ptas.	48,000	34	28,500	14,500
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Sweden (airmail) S.Kr.	3,100	34	1,700	900
— hand delivery S.Kr.	3,300	38	1,800	1,000
Switzerland S.Fr.	818	44	335	185
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INTERNATIONAL Herald Tribune

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JAVICO 150

Herald Tribune

Swearing Off the Bomb

While there was little doubt in the 1980s that South Africa was working on nuclear weapons, the full story turns out to be much more disturbing. Building them was not terribly difficult. It was costly, but far from prohibitive even for a small country with a national economy half the size of Mexico's.

Hit Men From Colombia

Fourteen months have passed since Colombian drug lords murdered Manuel de Dios Umanes in New York City for writing mock-up stories about the drug trade. As time slipped by, anguished friends and family asserted that police were dragging their feet because Mr. de Dios was from the Spanish-language press and little known to the English-speaking audience.

Low-Paid and Neglected

The Ways and Means Committee of the U.S. House of Representatives was asked to choose the other day between protecting the old-age and disability benefits of tens of thousands of low-paid domestic workers and making life easier for those workers' employers.

Other Comment

Change Goes On in Mexico

Some members of Mexico's ruling party, the PRI, tried to pull a fast one last week in the southern state of Yucatan. The local PRI-controlled legislature and governor tried to postpone elections scheduled for November, fearing that a contested election could adversely affect their party's just prior to the selection of its presidential candidate.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman

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American Protection Worked for Kurds

By William Safire

WASHINGTON — Remember those gut-wrenching pictures two years ago of Kurdish villagers fleeing the wrath of the defeated Saddam Hussein, tearfully abandoning their homes, children freezing in the snow?

Divide Them and Leave Reunion for Calmer Times

By Gregory Clark

TOKYO — While the tragedy in Bosnia continued, a miracle unfolded recently in Singapore — the first round of formal reconciliation talks between Taiwan and Beijing.



The soft-spoken Mr. Barzani, 46, son of the legendary Mullah Mustafa and father of eight, is not pushy; he observes the taboo about talking of independence. But on the urgent need for economic and diplomatic aid, even after all the top-level meetings in Washington, he says: "I have no answers for my people."

Reasons Not to Make Too Much of Clinton's Early Poll Results

By Kevin Phillips

WASHINGTON — From broken promises to tax giddiness and overemphasis of gay rights, President Bill Clinton's early fortunes have been more than adequately catalogued. So has his ill-advised neglect of the middle-class frustration that helped elect him.

Yet Mr. Clinton must comprehend the Balkan centuries of bloodstained fruitlessness, must know how previous Democratic presidents from Woodrow Wilson to Lyndon Johnson have buried domestic reform along with dead soldiers in the cemeteries of foreign wars, and must recognize that U.S. fighting in the former Yugoslavia will trigger ethnic tensions among Serbs, Croats, Slovenes and others in cities across the United States.

Oman and Yemen: Good News From the Arabian Peninsula

By Philip Bowring

MUSCAT, Oman — Good news is a rare enough commodity in the geopolitics of the Middle East. So some positive developments around the southern shores of the Arabian Peninsula merit attention and support — both for their own sake and for their impact on a region obsessed with old rivalries and neighborhood grievances.

republics (notably Kazakhstan) with hopes of getting into China. Oman is trying to revive its links with East Africa at a time when other countries are tending to downgrade links with the continent. Until the mid-19th century, Zanzibar and Mozambique were ruled by Oman. And at home, Oman is gradually opening up to outsiders, whether tourists or investors.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Unsubdued Siam

PARIS — At the Ministerial Council held yesterday [May 13] at the Elysee Palace the Under-Secretary of State of the colonies said a company of Annamite sharpshooters, which had recently taken up a position at Khong Island without meeting with resistance, was now shot in by the Siamese troops and that a convoy of provisions had been cut off and the captives in command of the convoy had been taken prisoner. A battalion had been at once despatched from Cochinchina to the assistance of the Franco-Annamite sharpshooters.

1918: Emperors Meet

VIENNA — The following note is issued on the visit of the Emperor of Austria-Hungary to the Emperor of Germany: "Complete agreement was arrived at on all questions, and it was decided to enlarge and deepen the present alliance. The guiding lines of the agreements in view were established."

1943: Riots in Germany

LONDON — [From our New York edition:] A dispatch from Stockholm tonight [May 13] said a riot broke out yesterday in Berlin in front of the German Army's information office when thousands of women and elderly men gathered to obtain information about their relatives in the Afrika Korps. People were brusquely dismissed when they made their inquiries at the information office and were told they would receive the necessary information at a more opportune moment. Thereupon the crowd began rioting and S.S. troops were called to break up the crowd. Similar riots were reported from other parts of Germany.

JAVICO 1500

OPINION

Steady, Humane and Lucid: An Exemplary Intellectual

By E. J. Dionne Jr.

WASHINGTON — Few relationships are more perilous or complicated than the one between intellectuals and politics. Intellectuals can be far more dangerous than the run-of-the-mill "special interest group" seeking some subsidy or tax break.

True, intellectuals can also behave like any interest group in making special claims for government help to the arts or universities. But intellectuals looking for money pose no particular difficulty to the republic. The danger to and from intellectuals arises when they act from higher motives, when they try to transform the world to make it accord with their ideas.

Three traps await intellectuals in the political arena. The most common transforms intellectuals into apologists for any regime that makes a show of taking their ideas seriously. In this case, intellectuals give up their independence.

The second trap is more insidious: Intellectuals can become so convinced of the rightness of their prescriptions that they come to justify almost anything to achieve their ends. "You have to break eggs to make an omelet" is the classic rationalization used to justify killing, imprisonment and torture.

The third trap is the opposite of the second, but its snares are woven from the same arrogance: Intellectuals can become so disdainful of the messiness of any human society that they withdraw from politics entirely. Beneath the surface lie the anti-democratic notions that average people are incapable even of understanding the "higher things" to which intellectuals aspire.

Intellectuals who avoid all these traps are usually model democrats and exemplary human beings worthy of celebration. One of them, Irving Howe, died last week at the age of 72.

Mr. Howe spent his life as a dissenter, and gave that word an extra meaning. The magazine he started in 1954, Dissent, became a rallying point for a democratic left whose hallmark was the imperative that democracy — the faith in the capacity of ordinary citizens to run things — must never take a back seat to somebody else's glorious ideal or brilliant idea.

Mr. Howe began his political life as a follower of Leon Trotsky. Trotsky was hardly a saint of democracy, and his followers were capable of extraordinary feats of sectarian narrowness. But their preference for Trotsky over Stalin immunized them against apologies for outrages committed in communism's name.

Hatred of Stalinism led many Trotskyists to conservatism, but Mr. Howe moved to a socialism that was less a fixed system than an ideal embodying equality and democracy. For Mr. Howe, "the working class" was not an abstraction. It consisted of real human beings whose aspirations mattered more than the comforts of apparatus or the wealthy.

This apparent idealism proved to be a more practical guide to the future than a view that held ordinary people incapable of extraordinary things.

more practical guide to the future than a view that held ordinary people incapable of extraordinary things. Mr. Howe never believed that Communist dictators could maintain power indefinitely by force, and he said so in the early 1950s, as the Soviets were tightening their hold on Eastern Europe.

The rise of Solidarity in Poland gave Mr. Howe, a friend of trade unions, special joy. "Here was evidence that men and women would not simply crumble into passivity under the weight of dictatorship," he wrote in 1982.

"Here was reason to call into question theories that held totalitarianism inevitable, at least short of nuclear war. And here was the exhilarating spectacle of a young and inexperienced working class asserting itself with strength and spirit."

It is no accident, as the Marxists say, that Mr. Howe is best known to the wider public not as a socialist but as the author of "World of Our Fathers," his best-selling history of the East European Jewish immigration to the United States.

For Mr. Howe, politics could never be the most important thing. One struggled for justice in order to allow culture to flower freely, independent of the pressures of the state or the imperatives of the market. His love for Judaism's treasures was rooted in the view that both high art and genuine popular culture create a margin of freedom even under the most oppressive conditions.

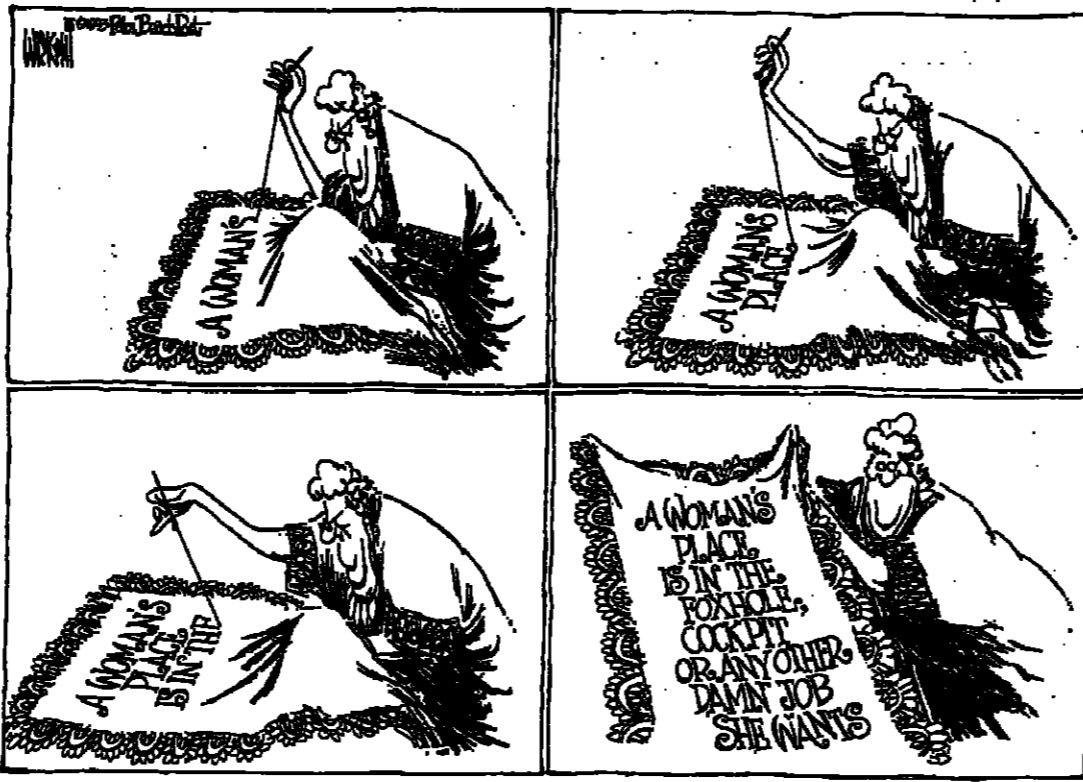
By trade, Mr. Howe was a literary critic, not a pamphleteer, and he shared George Orwell's view that a writer's obligations were paradoxical: To be engaged in politics and to remain free of its chains. "A writer who devotes himself exclusively to politics courts the dangers of dryness, the mental undernourishment of journalism," Mr. Howe wrote. "Isn't there always a shrinkage of imaginative power when an 'engaged' writer submits to the political moment?"

Those who paid attention to Mr. Howe and to such comrades as the late Michael Harrington never fell for the intellectual fashions that so consumed others. Mr. Howe rejected the New Left cults of youth and expressive violence in the '60s, the cults of Castro and Ho Chi Minh and Mao, the cult of self-centered self-improvement in the '70s, the cult of capitalist utopianism in the '80s. One of his books was entitled "Steady Work." Moral steadfastness was his virtue.

He knew at the end of his life that socialism was in crisis. His attitude was: When wasn't it? The point was to maintain critical hope, to test other systems according to the standards of "the utopia of community and egalitarianism."

"Whatever the fate of socialism," he wrote in 1985, "the yearning for a better mode of life, which found expression in its thought and its struggle, will reappear. Of that I am certain." Nonsocialists, too, should hope that he was right.

The Washington Post



LETTERS TO THE EDITOR

UN Failure in Cambodia

Regarding "Empower the UN to Block Khmer Rouge Anarchy" (Opinion, April 17) by Clare Hollingworth:

The United Nations has done little to improve the situation in Cambodia. In fact, it is now paying for its own mistakes. For a decade the United Nations provided the Khmer Rouge much needed legitimacy after the Vietnamese chased them out of Cambodia.

Now the world body has provided them the fig leaf for complete legitimacy as a part of the Supreme National Council, a body recognized by the international community.

Even as the Khmer Rouge refuse to abide by the terms of the Paris accords, the United Nations has yet to take any steps other than toothless sanctions that cannot be enforced. UN peacekeepers have been unable to stop open violations by the Khmer Rouge and the regular massacres of the ethnic Vietnamese.

Clare Hollingworth wants the United Nations to be given more powers to block the Khmer Rouge. But what would be the purpose of empowering combat-sty UN troops when force will have to be used? The number of casualties in the event of a military showdown with the Khmer Rouge could run into hundreds. Is any country providing peacekeepers ready to take that risk?

M. ELAHL, Ottawa

Bosnia and the Precedent

The more I read about the Bosnia conflict and the feeble efforts and verbal threats by the West to halt the carnage, the more I am reminded of the Hitler

odds a touch old-fashioned, but he can be certain that they are committed.

Sir NICHOLAS NUTTALL, Gstaad, Switzerland.

Keep a Light on East Timor

I commended Philip Shenon's excellent portrayal of the situation in East Timor, "Repression as Legacy of Timor Killings" (April 22). Although Indonesia invaded and annexed East Timor in 1975, the United Nations has not recognized its claims to sovereignty over the territory. Hence, the demise of the article should have been "Dili, East Timor" — and definitely not "Dili, Indonesia."

Under international law, East Timor is an occupied territory, just like the West Bank and Gaza. Mr. Shenon also refers to the independence fighters of East Timor as "separatists." The East Timorese seeking independence are not "separatists" because East Timor was never a part of Indonesia.

MARGHERITA TRACANELLI, Media and Communications Director, National Council of Maubere Resistance, Sydney.

A Welcome Byline

I am always pleased to see Michiko Kakutani's byline, because I know that what follows will be informative and very well written. "Down With History, Down With Truth" (Meanwhile, May 4) is another example of the writer's lucid, elegant prose. This is journalism of a high caliber, more important today than ever.

SUSAN C. SEZZARBA, Mailhouse, France.

So Biodiversity Is Doomed? Let's Take a Cool Recount

By Julian Simon and Aaron Wildavsky

OKLAND, California — A fair reading of the available data suggests a rate of species extinction not even one-thousandth as great as doomsayers claim. If the rate were any lower, evolution itself would need to be questioned. The World Wildlife Fund, the main promulgator of alarm about biodiversity and the extinction of species, frames the issue in the starkest terms: "Without firing a shot, we may kill one-fifth of all species of life on this planet in the next 10

1900 to the present (about one year). Mr. Myers abruptly departs from those modest estimates and goes on to say that some scientists have "hazarded a guess" that the extinction rate "could now have reached" 100 species a year. This pure conjecture about an upper limit of present extinction of species is then increased and used by Mr. Myers and Mr. Lovejoy as the basis for the projections quoted everywhere.

In fact, Mr. Lovejoy — after converting an estimated upper limit into a simple estimate — says that government inaction is "likely to lead" to the extinction of 14 to 20 percent of all species before the year 2000.

Mr. Lovejoy's extinction rate, which is a thousand times greater than the observed rate, is pure guesswork. Yet it is widely published and erroneously viewed as scientific fact.

In articles in the mid-1990s in New Scientist magazine, in newspapers, in books and at conferences, both of us have documented the complete absence of evidence for the claim that the extinction of species is going up rapidly — or even going up at all.

No one has disputed our documentation. Nor has anyone cited new evidence that would demonstrate rapid extinction. Instead, until recently, the biologists sounding the alarm simply ignored the data that challenged their claims.

But recently the World Conservation Union published an inquiry into the extent of extinctions, "Tropical Deforestation and Species Extinction." Every author included agreed that the rate of known extinctions has been and continues to be very low. One wrote: "Forests of the eastern United States were reduced over two centuries to fragments totaling 0.5 percent of their original extent. . . . During this destruction, only three forest birds went extinct."

We are delighted that this species of truth, which we thought was dead, is stirring into life. Governments should heed this astonishing scientific assessment. We are not suggesting that they ignore the possible dangers to species. But everyone should start from an unbiased view of the gains and losses in order to help judge how much time and money to spend guarding our biological assets.

Mr. Simon is professor of business at the University of Maryland. Mr. Wildavsky is professor of political science at the University of California. They contributed this column to The New York Times.

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BRITISH AIRWAYS

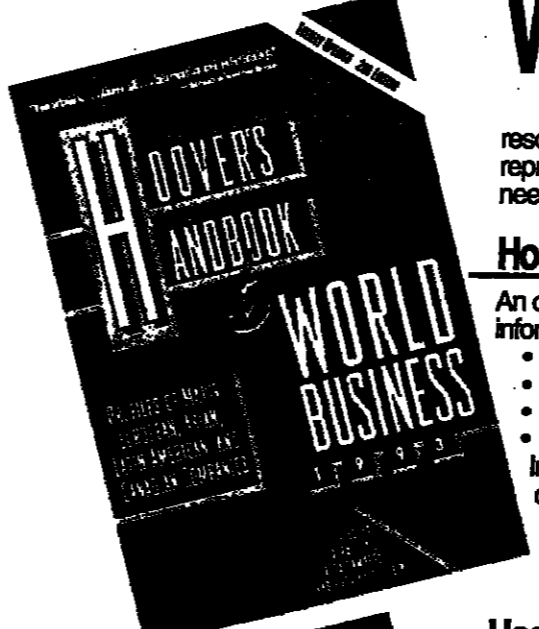


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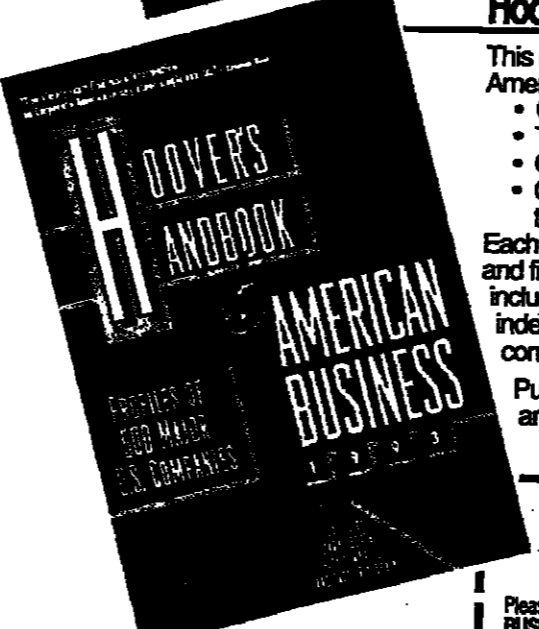
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MARKET DIARY

Inflation Punishes Stocks and Bonds

NEW YORK — Stock and bond investors took Thursday, with the notable exception of the precious-metal mining stocks, which extended their recent gains after the second straight U.S. report of rising prices. "Inflation, inflation," said Jack Solomon, analyst at Bear, Stearns & Co. "That's the story."

The Dow Jones industrial average slumped 34.32 points, to 3,447.99, tumbling from the record close of Wednesday. Losing issues outnumbered gainers on the New York Stock Exchange by an 8-to-3 ratio. Most major market indexes mirrored the Dow's loss, but the American Stock Exchange index was down just 0.52, to 427.91, reflecting that bourse's concentration of mining issues.

The 30-year Treasury bond fell 1/32, to 102 5/32, pushing its yield up to 6.95 percent from 6.85 percent on Wednesday. After a worrisome report that consumer prices rose 0.4 percent in April, the Treasury found weak demand for its long bond.

Dollar Gains Support On U.S. Rate Outlook

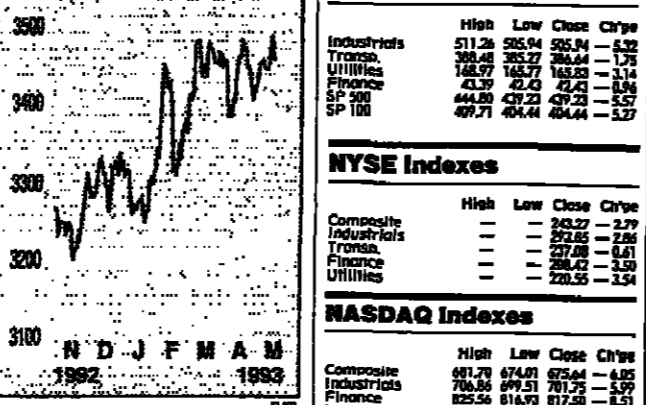
NEW YORK — The dollar advanced Thursday against most major currencies after the U.S. government reported a bigger-than-expected gain in the inflation rate and improved retail sales in April.

The dollar was buoyed early in New York by the Labor Department report that consumer prices rose 0.4 percent in April, and 0.4 percent when food and energy were excluded. Analysts expected a 0.2 percent rise.

World Stock Markets

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others. Columns include index name, high, low, and change.

The Dow



NYSE Most Active

Table of NYSE most active stocks including Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen.

AMEX Most Active

Table of AMEX most active stocks including Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen.

NYSE Diary

Table of NYSE diary including Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen.

NASDAQ Diary

Table of NASDAQ diary including Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen.

Gold Rises \$7.50 an Ounce

NEW YORK — Gold closed sharply higher on the Commodity Exchange on Thursday but below its peak for the day, as profit-taking set in toward the end of the session.

Gold for June delivery ended \$7.50 higher at \$369.30 an ounce, off its session high of \$373, which was gold's highest level on the Comex since June 1991, according to weekly charts.

Analysts predicted that the metal would make further gains, as a U.S. government data released Wednesday and Thursday caused an return of concern about future inflation. "You have a lot of asset reallocation" into gold from bonds and other investment instruments, said a Prudential Securities analyst, Bette Raptopoulos.

World Stock Markets

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others. Columns include index name, high, low, and change.

EUROPEAN FUTURES

Table of European futures including COCOA (F03), COFFEE (F03), and WHITE SUGAR (F03).

Stock Indexes

Table of stock indexes including FTSE 100 (LIFFE), DAX (EUREX), and Nikkei 225 (COMEX).

Dividends

Table of dividends for various companies including Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen, Amgen.

U.S. FUTURES

Table of U.S. futures including WHEAT (CBT), WHEAT (KCBT), and SOYBEANS (CBT).

U.S. FUTURES

Table of U.S. futures including SOYBEAN MEAL (CBT), SOYBEAN OIL (CBT), and CATTLE (CME).

U.S. FUTURES

Table of U.S. futures including PORK BELLIES (CME), HOGS (CME), and FREDER CATTLE (CME).

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U.S. / AT THE CLOSE

Treasury Bond Yield Falls at Sale

WASHINGTON (AFX) — The U.S. Treasury said Thursday that it had sold 30-year Treasury bonds for an average yield of 6.97 percent. This was down from the average yield of 7.22 percent at the previous auction on Feb. 11, and the lowest yield since the Treasury began issuing 30-year bonds on a regular basis in 1978.

Sears Sells Coldwell Banker Group

NEW YORK (Knight-Ridder) — Sears, Roebuck & Co. said Thursday that it had agreed to sell Coldwell Banker Residential Group to an investor group that includes Fremont Group, a private investment company that manages more than \$3.5 billion in assets. Terms were not disclosed.

Time Warner in Fiber-Optics Deal

NEW YORK (Bloomberg) — Time Warner Inc. said Thursday that it had bought a 50 percent stake in MetroComm, a Columbus, Ohio, maker of fiber-optic networks.

Judge Rules Cigarette Makers Liable

GREENVILLE, Mississippi (AP) — Cigarette manufacturers are liable when their products cause cancer and death, even if the smoker knew of the dangers of smoking, a judge ruled.

Keene Seeks Asbestos Settlement

NEW YORK (AP) — Keene Corp., facing nearly 100,000 asbestos-related claims, asked a federal court Thursday to declare that it had too little money to pay claimants and to order its assets divided up in a class-action settlement.

U.S. FUTURES

Table of U.S. futures including WHEAT (CBT), WHEAT (KCBT), and SOYBEANS (CBT).

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Large advertisement on the right side of the page, partially obscured by a 'Little To...' sign at the top. It features the text 'U.S. / AT THE CLOSE' and 'NASDAQ' and includes a large graphic of a hand holding a pen.

Handwritten notes in a box at the top right of the page.

A Little Too Western? Hungarian Industry Chief Paid by U.S.

By Peter Maass
Washington Post Service

BUDAPEST — The U.S. government is paying more than \$100,000 a year to Pal Teleki, the president of Hungary's state holding company, which owns and manages the country's key state industries, officials disclosed.

The unusual arrangement, in which a U.S. government investment fund is underwriting the bulk of Mr. Teleki's salary, is sensitive in Hungary because it gives the appearance of direct U.S. influence over the privatization and operation of Hungary's state assets.

Populist foes of privatization have accused the government of selling out to foreigners, and the financial link between the U.S. government and Mr. Teleki, a prominent Hungarian-American who lives in Washington and is on leave from a career job with the U.S. Geological Survey, is bound to spark controversy.

As part of an effort to promote free enterprise, the United States occasionally underwrites the salaries of special advisers who have expertise that post-Communist governments need but cannot afford.

The deal with Mr. Teleki goes a step beyond such arrangements because it involves much more than an adviser. His position is one of the most important in the Hungarian economy.

The state holding company, known as AV Rt., of which he is both president and chairman, dominates a big chunk of the Hungarian economy, including all utilities, major industrial companies, pharmaceutical concerns and state banks.

Mr. Teleki, the grandson and namesake of Hungary's World War II prime minister, who committed suicide to protest his country's decision to join the German invasion of Yugoslavia, did not return telephone calls.

The U.S. ambassador, Charles Thomas, defended the arrangement as a way of helping the Hungarian government hire "a competent man of prestige and integrity to run something that is extremely important for the Hungarian economy."

There have been no allegations of impropriety against Mr. Teleki and no allegations of U.S. meddling.

The state holding company was formed late last year to run strategic companies in which the government wants to retain a major stake after privatization. It is structured as a private company in which the Hungarian government owns all the shares.

The government wanted to hire Mr. Teleki but could not pay him much more than what ministers get — roughly \$1,000 a month.

According to U.S. officials, Mr. Thomas responded to a request from the Hungarian government for help by arranging for Mr. Teleki to receive payments from the Hungarian-American Enterprise Fund, which the U.S. government founded to promote capitalism in Hungary.

"The idea was to make it feasible" for Mr. Teleki "to do this without going broke," Mr. Thomas said. "I don't have any second thoughts about it."

The payments may fuel a current controversy over the Hungarian-American Enterprise Fund, which has attracted criticism from Capitol Hill and from some officials in the State Department and Agency for International Development.

Reports that the Hungarian Fund had invested \$4 million to start up a Budapest-based merchant bank in which the top managers awarded themselves more than \$300,000 in annual salaries prod at the chairman of the House Appropriations subcommittee on foreign operations to complain that the fund has not been properly managed.

Bundesbank Moves to Dampen Hopes of Further Rate Cuts

Reuters

FRANKFURT — The Bundesbank, in a barrage of strong comments and action, moved Thursday to deflate hopes of further quick cuts in German interest rates.

German securities markets surged Wednesday and in the early part of Thursday's session on the hope that a sharper-than-expected fall in a German money-market interest rate would be followed by another cut in the central bank's discount rate next week.

But that hope was deflated when the Bundesbank drained funds from the money markets, in what one top central bank official termed a reaction to "exaggerated expectations."

The draining, a step that tends to prevent declines in market interest rates, was followed by aggressive comments from Bundesbank President Helmut Schlesinger, who said in a speech in Bonn that the Bundesbank would do all it could to maintain confidence in the mark. He rejected a concerted easing as a "sludgier interest-rate policy" and "not appropriate."

Mr. Schlesinger said that Germany's M-3 money supply, often a harbinger of inflationary trends, had started to grow strongly again in April.

A Bundesbank board member, Johann Wilhelm Gaddum, said in an interview that the market had misinterpreted this week's reduction in the securities-repurchase rate to 7.60 percent from 7.71 percent, and that the move to drain funds from the market had been made in response.

Armin Kayser, an economist with Swiss Bank Corp. in Frankfurt, said, "The Bundesbank is trying to pour a little water into the wine." At Goldman, Sachs & Co., Thomas Mayer said that if there was any move by the central bank next week, it was now more likely to be a quarter-point cut in the 7.25 percent discount rate than a half-point reduction. The discount rate was cut by a quarter-point April 23.

Separately, a top German economist said Germany would not be able to lower its interest rates far or quickly enough to stage an economic recovery until at least 1995.

Norbert Walter, chief executive of Deutsche Bank Research, said at an Austrian National Bank seminar in Baden, Austria, that inflation and a budget deficit would continue to slow economic activity as Germany came to terms with the costs of unification.

East Germans Vote to Widen Strike

Reuters

FRANKFURT — The metalworkers' strikes that first hit two East German states 11 days ago will spread to the three remaining regions there starting Monday, the IG Metall union said Thursday.

The decision, announced just hours before talks started in Dresden to seek an end to the strike there, followed an overwhelming vote to extend the strike across all of the former Communist state's territory.

"In my opinion, the strikes will last for quite some time," the chairman of the union, Franz Steinhilber, said at a news conference announcing the decision. Mr. Steinhilber said the new strikes would start on Monday in Thuringia and Brandenburg states as well as East Berlin.

IG Metall's leader in Hanover, Jürgen Peters, said 11,000 workers at six companies in neighboring Saxony-Anhalt would stop work on the early shift next Tuesday.

The engineering workers are protesting against a management decision to tear up a valid wage pact that would have boosted their pay to Western levels by next year.

IG Metall, Germany's largest union, also set tough conditions for any deal to end the labor unrest.

Employers would have to retract their cancellation of the original contracts and agree not to terminate contracts in this way in future.

PESETA: Devaluation Deepens EC Currency Doubts

(Continued from page 1)

currency more attractive, thereby pushing up its value. Even with stability in the core currencies, however, the turmoil among the weaker currencies and the reluctance of Britain to rejoin the monetary system soon mean it will be difficult for the European Community to make much headway towards the Maastricht treaty's goal of a single currency and a centrally developed monetary policy by the end of the decade.

"Even if Maastricht is ratified, the chances of monetary union occurring in the way outlined in the treaty are very small," said William Ledward, an economist with the Nomura Research Institute in London.

Among other problems, most European nations have not come close to meeting the treaty's goals for reducing budget deficits and inflation rates in preparation for monetary convergence. With the recession worsening, that problem is likely to continue, leaving the national economies hampered by debt payments and out of step with one another.

Spanish Banks Cut Rates

Spain's economy minister, Carlos Solchaga, said the Bank of Spain would lower its intervention rate 1.5 points to 11.5 percent effective Friday, news agencies reported from Madrid.

Several Spanish commercial banks followed with comparable cuts in their prime lending rates.

Spanish stock prices, meanwhile, closed at a high for the year, as investors scurried to buy shares ahead of the Bank of Spain's devaluation announcement.

The Madrid Ixex 35 index closed at 2,761.44, up 4.82%.

The news about the devaluation emerged after the stock market had closed.

After the devaluation announcement, Spain's National Statistics Institute reported that the unemployment rate in Spain rose in the first quarter of the year to 21.7 percent from 20.1 percent in the final quarter of 1992.

In Lisbon, meanwhile, officials said Portugal had been surprised by Spain's request for a realignment of European currencies, which the governor of the Bank of Portugal said he had considered unnecessary.

Miguel Beza, the central bank official, said that Spain had requested the readjustment of currencies only inasmuch as, when financial markets were in full swing.

(AFX, AP, Bloomberg)

DANES: Maastricht Supporters Cite Currency Crisis

(Continued from page 1)

economic austerity. But Mr. Rasmussen's solution lies with Europe. He has hinted at cuts of up to 10 percent in income tax rates, but only if the referendum was approved. He is pushing for European leaders to adopt an employment initiative at next month's summit meeting in Copenhagen, claiming that the solution, like the problem, must cross European borders.

The consensus on the need for a strong krone does not necessarily imply that the latest currency crisis will generate more "yes" votes.

Economic union "was never the issue" arising opposition to Maastricht in Denmark. Mr. Christensen said. Instead, referendum opponents are nervous that the treaty — even with Denmark's exemptions from monetary union, political and defense cooperation, and a common EC citizenship — will create a bureaucratic European superstate that will interfere with matters that Danes hold dear, such as their generous social welfare system.

Indeed, it could be negative if the threat of devaluation is regarded as an annoying external shock given Danish annoyance with outside interference during the referendum campaign.

Recent polls have shown the "yes" vote solidifying in recent days after several weeks of erosion.

Denmark's lowest inflation rate — 1.1 percent. "These interest rate shocks have had a clear effect on confidence," said Darren Cullen, an economist at Salomon Brothers Inc. in London. At the same time, devaluations by several trade partners, including Britain, Sweden, Norway and Finland have hurt Denmark's exports. As a result, Mr. Cullen predicted Denmark's economy would contract by 0.4 percent this year.

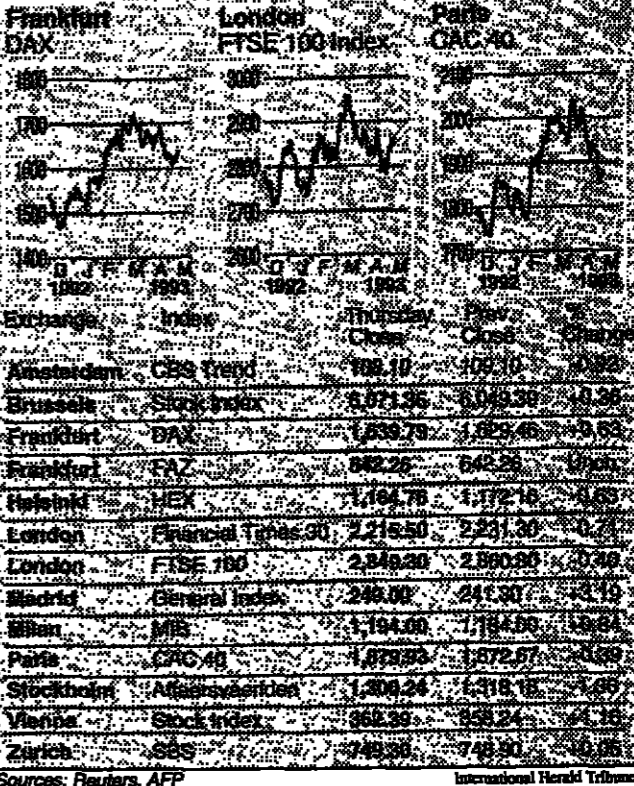
But in spite of the pain, there have been virtually no calls for Denmark to emulate Britain by pulling out of the European Monetary System's exchange-rate mechanism and cutting interest rates to stimulate growth.

Mr. Rasmussen said devaluation would be short-sighted and dangerous, threatening to give up Denmark's hard-won gains on inflation.

It also is not clear that devaluation would benefit Denmark. Unlike the pound before it was withdrawn from the ERM, the krone is pegged to the Deutsche mark at a competitive rate, said Jørgen Christensen, a director at the ERM. While Britain was running a massive trade deficit, Denmark has a trade surplus of nearly 5 percent of gross domestic product and cannot expect an export-led boom to growth, he said.

The government is acutely worried about unemployment, which is running at 12 percent after many years of

Investor's Europe



Very briefly:

- Royal Dutch/Shell Group posted a 23 percent rise in first-quarter profit, beating analysts' expectations; net income was \$945 million (\$1.45 billion), up from \$769 million a year earlier. The company said the higher prices it received for oil and natural gas had helped offset losses in its chemicals division.
 - Grand Metropolitan PLC said six-month pretax profit had fallen 24 percent to \$417 million, from \$552 million a year earlier, reflecting increased interest charges. Net debt increased to £3.16 billion from £2.65 billion, reflecting currency movements of non-staring debt.
 - Swedish consumer prices rose 0.4 percent in April from March, pushing annual inflation to 5.1 percent from 4.9 percent.
 - Thomson-CSF has lost a bid to buy the Czech defense-electronics company Testa Pardubice, according to the local company High Technology Transfer, which said that it had won the bidding.
 - The Telegraph PLC said it had acquired from Hellman & Friedman Capital Partners II LP 26.8 million options over convertible debentures of the Australian newspaper publisher John Fairfax Holdings Ltd.
- Bloomberg, Reuters, AFX, AFP

Layoffs Curtail BT Profit

LONDON — British Telecommunications PLC said Thursday its pretax earnings had tumbled 35.8 percent in the latest financial year because of high layoff costs, but it indicated the worst may be over after two years of declining income.

BT, the largest company in Britain, said it earned £1.97 billion (\$3.03 billion) in the year that ended March 31, down from £3.07 billion in the previous year. But the company took a £1.03 billion charge for layoffs. Sales slipped 0.7 percent to £13.24 billion.

There were 40,000 layoffs last year, and an additional 30,000 are to be cut from the 170,000 remaining employees over the next two years. But Barry Romeril, the finance director, said the layoff charge would be cut by about half this year.

Mr. Romeril said evidence that the company's operations were improving was reflected in an 8.3 percent dividend increase, to 15.6 pence a share. The company's stock was unchanged at 402 pence per share.

NASDAQ

Thursday's Prices
NASDAQ listed in New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

Ticker	High	Low	Open	Close	PE	Div	Yield
IBM	120.25	118.75	119.50	119.25	28	1.50	1.1%
Microsoft	65.50	63.75	64.25	64.00	45	0.75	0.8%
Apple	55.25	54.00	54.75	54.50	32	0.50	0.6%
Oracle	35.00	34.25	34.75	34.50	25	0.40	0.5%
Amazon	25.75	25.25	25.50	25.25	18	0.30	0.4%
Google	15.50	15.25	15.37	15.37	12	0.20	0.3%
Yahoo	10.75	10.50	10.62	10.62	8	0.15	0.2%

NYSE Thursday's Closing

Takes include the nationwide price up to the closing of Wall Street and not reported late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Chg. Lists various stocks and their performance.

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INTERNATIONAL FUNDS

Quotations compiled by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

The marginal symbols indicate frequency of quotations: daily (d); weekly (w); bi-monthly (b); quarterly (q); irregularly (i); twice weekly (tw); monthly (m).

Table listing various international funds with columns for fund name, share price, and other details.

NYSE High-Lows

NEW HIGHS #

NEW LOWS #

Table listing NYSE high and low values for various stocks.

AMEX High-Lows

NEW HIGHS #

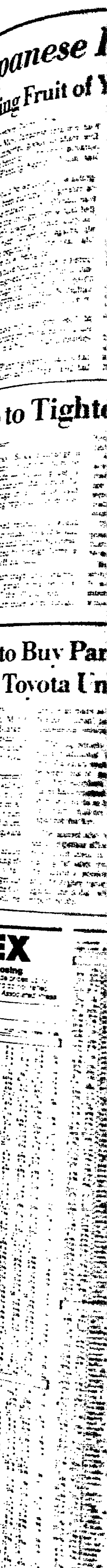
NEW LOWS #

Table listing AMEX high and low values for various stocks.

Other Funds

Table listing various other funds with columns for fund name, share price, and other details.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.



SPORTS TENNIS

Chesnokov Defeats Clay-Footed Becker In the Italian Open

ROME — Boris Becker, still battling his clay court jinx, was ousted from the Italian Open on Thursday by Andrei Chesnokov. The Russian clay court specialist advanced to the quarterfinals with a 6-2, 3-6, 7-6 (7-3) victory when the three-time Wimbledon champion, who has never won a major tournament on clay, failed to convert four break points in the second set.



Boris Becker failed to convert four break points in the second set of his match in Rome.

Islanders, 7-5, Push Penguins Into 7th Game

UNITED PRESS INTERNATIONAL
NORWICH, New York — Darius Kasparaitis finished his checks and Steve Thomas finally finished off some shots, which meant the New York Islanders weren't finished yet. Brian Mullen and Thomas scored third-period goals 5:50 apart Wednesday night and the underdog Islanders roughhoused Mario Lemieux and the Pittsburgh Penguins into a 7-5 loss that forced a Game 7 showdown in the Patrick Division final.

A Night of Heroics For Braves' Nixon

Compiled by Our Staff From Dispatches
STEVE AVERY was the winning pitcher and Terry Pendleton got the go-ahead hit. But Otis Nixon stole the show. Nixon stole four bases, got two hits, scored two runs and made a nice catch in center field as Atlanta won, 5-2, in Houston on Wednesday night as the Braves continued to rebound from their lukewarm start this season.

The Phantom of St. Louis Is Unmasked

Los Angeles Times Service
Editors of "The Baseball Encyclopedia" painstakingly check their facts, according to Bernie Miklasz of the St. Louis-Post Dispatch. For example, the book for years contained the record of one Lou Proctor, who played one game for the St. Louis Browns, coming to the plate once and drawing a walk. No other information on him was available.

Mansell, After 220 MPH Indy Thrill, Is on Cloud Nine: 'It's Awesome'

By Shav Glick
LOS ANGELES — After taking a look at Indianapolis Motor Speedway for the first time late Tuesday afternoon from the air, Formula One champion Nigel Mansell wasted little time Wednesday getting to know the place. "Even from 5,000 feet up, looking down at this place is a daunting or — as you say it — an awesome place," he said.

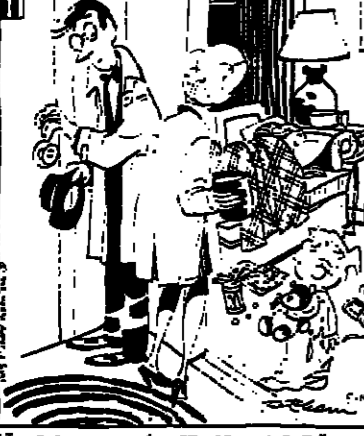
Dodgers to Air Game in Chinese

LOS ANGELES — The Los Angeles Dodgers' game against the Cincinnati Reds at Dodger Stadium next Wednesday night will be broadcast in Mandarin. "We are delighted to authorize this initial Chinese language broadcast," Brent Sayer, the Dodgers Director of Broadcasting and Publications, said Wednesday.

Tigers and Red Sox Pursue Specialities

The Detroit Tigers keep hitting home runs, the Boston Red Sox keep throwing shutouts, which are the reasons those two teams are at the top of the American League East standings. The Tigers hit five more homers on Wednesday, giving them a major league-leading 41 this year, as they beat the Blue Jays, 13-8, in Toronto. The Red Sox got their second straight shutout and fifth of the year, this time from Danny Darwin and two relievers who blanked the Baltimore Orioles, 2-0.

DENNIS THE MENACE



Word game puzzles including BATH, AMIDAM, GRATUI, LAMORFF, and DOONESBURY.

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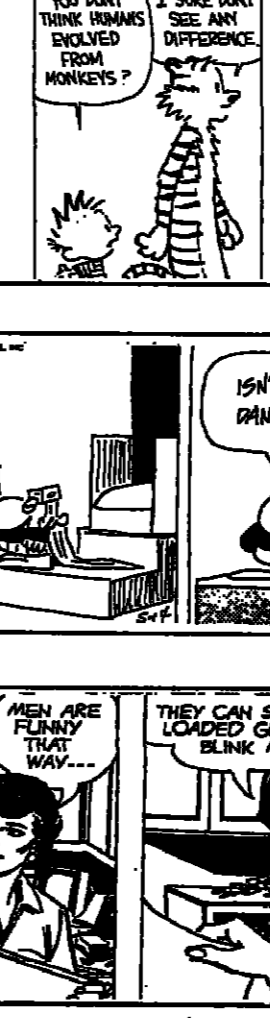
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SPORTS BOARD
Magie Man Europe's Sin C
Netherlands' Jaan van Lanrenburg
subject of AIDS and

Handwritten text in a box at the top right.

Heroes Nixon

SPORTS

A Magic Man Visits Europe's Sin City

In Amsterdam, Johnson Turns Teacher On the Subject of AIDS and Safe Sex

By Ian Thomsen International Herald Tribune DEN BOSCH, the Netherlands — Magic, hey Magic Johnson! Looking for some hashish? What? Not No, thanks. For you the best price, Magic. No, thank you, Magic Johnson said, as he walked the unscrubbed streets of Amsterdam. The city is a red-hot magnet to his past — not the stranger offering hashish, for no one has ever implied that Magic used drugs — but the women. They were on exhibit, by the dozens. Magic... Hey there honey... Hello, Magic... Posing inside doorway after doorway along the sidewalk, hair obscuring a bare shoulder, lipstick to smear, and a shadowed bed in the narrow room behind.

There are times, in his newfound dedication to the most important things, when Magic Johnson is like the camera overhead, and he is viewing himself below. And that is his new job. To keep an eye on himself, and to help other men. But then sometimes the poetic glare breaks him to a halt, like this woman with the lips, neither dressed yet tantalizingly nor undressed, she straddling the entrance between him and that bed — and staidly making that motion with her arm of shooting a basketball. That he could just wake up in a sweat and she would vanish. But he laughed and continued on past.

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League.

Wednesday's Line Scores

Table showing Wednesday's Line Scores for various baseball games.

Japanese League

Table showing Japanese League standings.

Soccer

Table showing Soccer World Cup Qualifiers.

BASKETBALL



Patrick Ewing tied up Alonzo Mourning, then the Knicks began unraveling the Hornets in the second game of their playoff series.

I'm not dead by no means. Not yet anyway. I'm going to keep going. I'm still having sex, I'm still running, jumping, playing. Life doesn't change. He listened to the back and forth between the students and the mingling AIDS experts. How do you ask whether your partner has had unprotected sex? Magic, apparently, never raised that question when he could have, and how many times must he have exorcised himself for that. But then he waved away the debate.

"What were you asking him," he said to a teenage girl, "it really doesn't matter. If you like him, you're going to sleep with him. Really, if you have feelings for him, you're going to sleep with him. So then, if you ask me if I've ever done it without a condom, and if I want you, then I'm going to lie to you. Right? Especially when you're this young. We're lying there together, and I'm going to say, 'But I haven't slept with anybody before you. You're the first one, the only one. You're the prettiest girl in school.'"

There he talked about the difference in the United States, where, he said, such a conversation could "only be so open. You know? They won't talk about it. Instead, of 'Come on and get the condom' — they'd never let that happen back home. Let it be open like it is over here. Because one thing they do understand is, kids want to have sex, no matter what parents are thinking. They're going to have it. I don't care. You can't stop 'em."

Malone, Alex English, Kyle Macy and Marques Johnson, plus the Brazilian star Oscar Schmidt, all 35 or older and showing it. The effect was not unlike watching the Star Trek movies. It was some time ago that Magic was winning NBA titles for the Los Angeles Lakers with Legend teammates Bob McAdoo, who is 42, Kurt Rambis (35) and Michael Cooper (36). They each carry obvious deficiencies, except for Magic, the youngest among them. You had for him any day," said Chris van Dinten, who played for Monmouth College in West Long Branch, New Jersey, during Magic's NBA prime, and who guarded him Wednesday night. "The guy knows he's going to die, he knows he's going to die earlier than probably anybody else, but he's not going to be depressed about it. I bet he has a lot of personal lapses, but he doesn't show the world. He just keeps going. This is, like, his destiny."

For once, no carpet was hiding the floor, and none of the shooters were lingerie or lipstick. The young Dutch led, 31-20, after the opening quarter, but then Magic began slashing, slalomming, twisting, spread-eagled like a dancer, and the scoreboard numbers increased on the old men's side like time replacing itself. They were going to win by a score of 142-128, but the game was effectively over with 13 seconds remaining in the half, when Magic grabbed the ball at the right elbow of the floor.

Which makes it all the more frightening, for the millions who care, to see him expending himself. The game itself doesn't matter. Where does he get the energy? Shouldn't he save it? Forfeiting such questions, he produced a rusty triple-double of 30 points, 16 assists and 10 turnovers — but, Lord, he was awesome. "I would think, just the thought of having it, the idea that it can go

Knicks, 8 Back, Buzz by Hornets In Overtime

By Clifton Brown New York Times Service NEW YORK — After a tremendous game and a tremendous comeback, the New York Knicks escaped with another memorable victory. Trailing by eight points with 3 1/2 minutes left in regulation, the Knicks rallied to stun the Charlotte Hornets, 105-101, in overtime on Wednesday night in Madison Square Garden.

The victory gave New York a 2-0 lead in the best-of-seven playoff series. And the game must have devastated the Hornets, who appeared to have a victory locked up going back to Charlotte for Game 3 on Friday night and Game 4 on Sunday afternoon.

Patrick Ewing, who scored 34 points, put the Knicks ahead for good with a 13-foot (4-meter) shot from the left of the foul line that made it 101-99 with 35.9 seconds left. Then the Knicks needed a big defensive stop, and they got it. With the second clock about to expire, Dell Curry missed badly on a 24-foot 3-pointer. The ball rebounded hard off the rim toward the left corner, where Alonzo Mourning tried to save it only to lose it out of bounds.

The Hornets fouled John Starks immediately on New York's next possession, and Starks made both free throws with 12.3 seconds left to give himself 25 points and put the Knicks ahead by four. Then, after Mourning missed wildly on a 3-point shot, Ewing broke down-court and dunked at the other end with three seconds left. "It was an incredible, incredible, incredible play," said the Knicks coach, Pat Riley. "I've been in 150 to 200 playoff games, but I've never been in anything like this. We were dead in the water for about six or seven minutes. But we hung on to the home court, barely."

The Knicks never would have won without Hubert Davis, who entered the game with 9:43 left in the final quarter and scored seven points. Trailing by 91-83, New York went on a 10-2 run to tie with 44.3 seconds left in regulation. Ewing made two straight jumpers, then after Larry Johnson dunked, Starks made a jumper, Charles Oakley — who got 16 rebounds — made one free throw and Davis made a driving lay-up, followed by a 3-pointer that tied the score at 93.

"I was wide open because they were double teaming Patrick, and I just took my shot," Davis said of the 3-pointer. "It feels great to help the team. Was I surprised I got in the game? When he called my name, I looked the other way, then I thought, 'What is he doing?' But he called Hubert. So I knew it was me. So I went in there."

For most of the second half, the Knicks learned what it's like to be frustrated. Usually, they shut down the other team. Hakeem Olajuwon had 28 points and 13 rebounds and Vernon Maxwell scored 25 points for Houston. Perkins made 5 of 6 3-point shots in the game and the Sonics finished with 25 free throw on 36 attempts. After Johnson's lone shot gave them the lead, the Sonics outscored the Knicks by 12-3 in the first 3:59 of the fourth quarter to take an 87-77 lead. Perkins contributed a 3-pointer, a fastbreak lay-up and a pair of free throws to the run. After Houston made it 102-90 on Olajuwon's short jump hook with 2:47 left, Perkins made two more 3-pointers in the final 1:46.

SIDELINES

Auerbach May Need Bypass Surgery

BOSTON (AP) — Red Auerbach's cardiologist said Thursday the president of the NBA's Boston Celtics is in excellent condition after two procedures to clear blocked arteries, but that there is a 50-percent chance Auerbach will need a heart bypass operation in the next six months. Dr. Roman DeSantis said Auerbach, 75, could be released from Massachusetts General Hospital this weekend, and that he expects the architect of the Celtics' franchise to resume a normal lifestyle, including playing rackets and smoking his trademark cigars.

U.S. Draws Bahamas in Davis Cup

LONDON (AP) — The United States drew the Bahamas on Thursday and will host their Davis Cup World Group qualifying round matches Sept. 24-26, with the winner advancing to the World Group for the 1994 competition. In the other qualifying-round matches, Argentina will be at Hungary, Austria at New Zealand, Brazil at Belgium, Croatia at Denmark, Cuba at Russia, Spain at Korea, and Switzerland at Israel.

For the Record

Frank Clark, who won a European Champions' Cup medal as a player for Nottingham Forest, became the English team's manager Thursday, replacing the retired Brian Clough. Everton, the cash-strapped Liverpool soccer team that was one of England's top clubs for more than a century, was put up for sale. (AP) Dick Schofield, the Toronto Blue Jays' shortstop, had surgery on his left forearm, broken in a collision at second base in Wednesday night's 10-7 Detroit Tigers. Zeno Cole, 72, the 1952 Olympic downhill champion and one of the first to use the aerodynamic "tuck" position that revolutionized skiing, died in Tuscany from respiratory problems caused by the tumor that kept him a lung in 1987. (AP)

ESCORTS & GUIDES

Advertisement for Belle Epoch Escort Service, Mercedes, Aristocats, and other services.

Sea Hero Draws The No. 9 Post For Preakness

BALTIMORE, Maryland — Kentucky Derby winner Sea Hero was made the second choice Thursday to runner-up Frankie Bayou for Saturday's 118th Preakness Stakes, the second jewel in the U.S. Triple Crown series. Prairie Bayou was installed as the 3-1 morning-line favorite after drawing the No. 3 starting position in the field of 12 thoroughbreds, largest for the Preakness in 10 years. Sea Hero, the surprise winner of the Kentucky Derby on May 1, drew the No. 9 spot and was listed at 7-2. Personal Hope, who finished fourth at Churchill Downs, drew the inside post position and was listed at 9-2.

The complete field in post position order is: Personal Hope, El Boker, Prairie Bayou, Hegar, Top Wild, Union City, Woods Of Windsor, Rockamundo, Sea Hero, Wild Gale, Kolutou Jimmy Al and Cherokee Run. Hegar, who won the \$50,000 Everglades Stakes just five days earlier, was entered at the last minute.

ESCORTS & GUIDES

Advertisement for ZURICH, LONDON AMBASSADOR, and other escort services.

HOCKEY

Stanley Cup Playoffs

Table showing Stanley Cup Playoffs Division Finals.

CONFERENCES SEMIFINALS

Table showing Conference Semifinals results.

BASKETBALL

NBA Playoffs

Table showing NBA Playoffs Conference Semifinals.

TRANSACTIONS

Table showing NFL Transactions.

Advertisement for Herald Tribune Living in the U.S. Now Printed in New York For Same Day Delivery in Key Cities.

OBSERVER

The Anti-Hobby Lobby

By Russell Baker
NEW YORK — Here from American Demographics magazine is a day-by-day study of how Americans use their leisure. If, like me, you yearn to be a 100 percent typical American it is unsettling to discover that hobbies occupy far more of the typical American's leisure than wine.

Just look at these statistics: On Monday 1 percent of the average American's leisure is devoted to hobbies. On Tuesday it shoots up to 2.3 percent and on Wednesday to 2.4 percent before falling back to 2 percent on Thursday, 1.1 percent on Friday, and a mere 1 percent on Saturday.

I don't have a hobby. Or to put it in terms of the survey, the amount of my leisure devoted to hobbies is 0 percent on Monday through Saturday, as well as on Sunday when the typical American is devoting a 1.5 percent leisure outlay to hobbies. If I seem unduly sensitive about my un-American performance on hobbies, it is because all my life people have been looking with disapproval after asking, "What are your hobbies?" and being told the truth. Not having a hobby is widely regarded as indicative of criminal tendencies.

To cover my shame when the confession is forced out of me, usually by official interrogators, licensed psychologists and other authorized busedies. I try to explain that I collected stamps when I was 10, but gave it up after getting the mumps. I suspected the mumps came from a \$1.98 box of 1,000 stamps, all of which had to be separated from their envelope

backings and on one of which, I believed, lurked the mumps germ that did me in.

That cured me not just of stamp collecting, but of all hobbies. Now when investigators check my fitness for modern living, they are typically dismayed to find my house has no ham radio in the attic, no carpentry shop in the cellar and no antique bookbinding equipment next to the laundry tubs.

Such is my aversion to hobbies that when I find myself in a house with a ham operator in the attic, cabinet-making tools in the basement and antique books next to the laundry tubs, I leave quickly. This saves me the necessity to praise badly made bird houses, to talk to Argentina via shortwave and to feign interest in techniques for preventing bleach spills on first editions.

Here's something else: water skiing. Skiing on water is so closely akin to walking on water that I believe it ought to be avoided as a human infringement on divine rights. Yet, believe it or not, 1.4 percent of American leisure on Sundays is spent water skiing. That is more than the 1.3 percent spent swimming and 1.1 percent spent fishing, two other watery time killers in which my score is 0 percent.

What does it all mean? That question leads happily to my kind of leisure expenditure. As soon as I finish this work, I shall open a bottle of wine and debate whether to ponder what it all means, or take a nap.

New York Times Service

Big-League Rookies And American Jazz

By Mike Zwerin
International Herald Tribune

PARIS — You keep reading stories in the press about big-league rookies who are expected to be the next Hank Aaron or Nolan Ryan. At the same time, I am often taken to task for writing about "rookie" jazz musicians. What's the difference? Baseball and jazz are both creative endeavors performed in public and as American as mom's apple pie. One is called "America's pastime," the other "America's only native art form."

The difference is money, of course. The sports page can be confused with the business section these days, no chance of that happening here. If this sounds defensive, there is reason. Jazz is a poor art and poverty is a bore. Who wants to read about great starving artists, it reminds us of the faults in the system. We are reminded enough already. On a personal level, a white writer dealing what is basically black minority music to the white majority is in a double-paradox bind. Still, creative people doing exceptional things are either interesting or not and those on the way up tend to be fresher with more spunk and daring (they have less to protect) than established stars.

Which raises another problem. Youth worship. Hot 14-year-old drummers have in fact no more trouble getting press coverage than fast 11-year-old tennis players. Subsequent evolution notwithstanding, the teenage Wynton Marsalis became famous as much for his youth as for his talent. When Miles Davis said to him, "You play me, without me it would be 'Flight of the Bumble Bee,'" he was not all wrong.

they are comfortable with. Something new scares them."

On Friday, a chamber orchestra consisting of members of the Los Angeles Philharmonic conducted by Esa-Pekka Salonen will perform Billy Childs's "Tone Poem for Holly" in Los Angeles. Childs calls the commission a "fluke" but flukes of this magnitude do not come to the underserving. In any case, whatever you call it did not come out of the blue.

He kick-started his compositional career by investing \$10,000, everything he had in the bank, in a demo tape setting his sister's poem "Lunacy" to music. This is not yet sold. He does not consider free time to be "spare," he continues to write music for the pleasure of it, market or no market. "Lunacy" included 10 strings, a brass section, flute, clarinet, oboe, bassoon, harp and rhythm section. And now the market is beginning to come to him.

Last March, the ensemble Percussions et Claviers de Lyon performed his ballet "Beyond" at the prestigious Grenoble Jazz Festival. His latest album (his fourth) "Portrait of a Player" (Windmill Hill) has been on Billboard's jazz chart for 13 weeks. This does not mean megasales, the jazz chart is minority with a small "m," but the music is virtuosic and deserving. Anyway, he invests more in composition than the keyboard these days. He is writing a commissioned work for symphony orchestra to be performed at next year's Monterey (California) Jazz Festival.

His fingers are numb from putting notes on paper. He never wrote so much music in his life as in the past six months. He carries an oversize folio packed with score paper whenever he travels, which is most of the year. He has never written by computer and hopes to keep it that way. When he has a block, not often, he keeps right on writing. Doesn't matter what. Just don't stop. Often, when he looks back on those passages, he finds they are not so dumb after all. And if they are, he wipes them out and plugs away. We are dealing here with a healthy mind and balanced ego: "I was in a recording session and everything was saying how bad everything sounded. I thought I sounded good on some songs, and I said 'Yeah, I like that.' But the other guys thought I was egotistical. But if you make something of quality you should recognize it. There's nobody harder on myself than me. Often, people will tell me they like something which I find absolutely embarrassing. Either way, I believe me. Who else are you going to believe?" Childs earned a degree in composition



Billy Childs: Hitting over .300 season after season.

from the University of Southern California where he was lucky to have a professor who had studied with Darius Milhaud and who approved of and encouraged the union of classical and jazz elements. He has become increasingly obsessed with combining written strings with improvising soloists and swinging rhythm sections.

In the future, he wants to build on the verbal element he began to explore with "Lunacy," not exactly rap but, overestimated for reference, a contemporary African-American incarnation of Igor Stravinsky's "Histoire du Soldat."

Upon graduation, his piano playing blossomed in the '70s under the leadership of veteran trumpeter Freddie Hubbard and he worked with established stars like Eddie Daniels, Bobby Hutcherson, the

steel drum virtuoso Andy Narell and Branford Marsalis (on the soundtrack of "The Russia House").

Now established as the leader of his own quartet featuring Ravi Coltrane (John's son) on saxophone, he is solidly booked for the next three months. An extract from his itinerary includes Dayton, Ohio; Saratoga, New York; The Hague (North Sea Jazz Festival); Chattanooga, Tennessee; Anaheim, California; Ottawa, and the World Trade Center in New York.

All of the above has involved working day and night to stay in shape year-round for years and the equivalent of hitting over .300 with more than 20 home runs in the major leagues season after season and nobody notices. Well, not exactly nobody.

Controversy Over Chaplin Auction

By Robert L. Kroon
International Herald Tribune

GENEVA — Had he been alive today, hot-tempered Charlie Chaplin might have used his famous cane on his butler Giovanni Canese and his wife Mirella. In charge of domestic affairs at the Chaplin villa Manoir de Ban near Lausanne until seven years after Sir Charles's death at the age of 88 in 1977, the Caneses spent much of their time squawking away all sorts of knickknacks the Little

Tramp and wife Oona shed, discarded or sometimes plain forgot. On Friday, this collection of 350 items will be auctioned at the Hotel President in Geneva.

The eight Chaplin children are furious at this posthumous greed and have tried to undercut the auction by questioning the authenticity of the collection. The family said in a statement that the mementos should go to the much talked-about but still nonexistent Chaplin Museum on Lake Geneva.

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Latin America, with temperature and precipitation data for various cities.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to a puzzle from May 13.

AMERICAN GROUND ZERO

The Secret Nuclear War

By Carole Gallagher. 427 pages. \$50. MIT Press.

Reviewed by T. H. Watkins

THE faces are old, most of them. Worn and scoured by the desert sun and wind and by something else, they peer at you from the pages of this handsomely produced book with expressions that range from the stoic to the splotchy. They are ordinary people to whom something extraordinary has happened, and Carole Gallagher, the photographer-interviewer of "American Ground Zero," reveals their pain, anger and

confusion with the relentless clarity of art.

There are words, too, words as ordinary and unpretentious as the faces, and the combination produces a document of such power that it can leave you thrashing in the pit of your own anger and sadness. This is what the government of the United States once did to a number of its citizens. "American Ground Zero," like Philip Fradkin's "Fallout" before it — though with far greater emotional weight — chronicles the human consequences of the nuclear bomb-testing during the Cold War follies of the 1950s and early 1960s, when 126 nuclear "devices" were detonated above the ground at the Nevada Test Site west of Las Vegas. The bombs killed no enemies of America, but there were plenty of victims. People like Robert Carter,

a 17-year-old soldier who on July 5, 1957, was ordered to stand up a few thousand yards from ground zero and watch the detonation of a hydrogen bomb. "I was happy," he told Gallagher in 1988, "full of life before I saw that bomb, but then I understood it was and never the same." In 1968, at the age of 49, he had already suffered two strokes, deterioration of the spine and muscle weakness so severe he was confined to a wheelchair.

Or Joanne Workman of St. George, Utah, a high school student who drove over into Nevada in 1953 to watch a blast from about 90 miles (145 kilometers) away as part of a science project. After the explosion, she recalled in 1985, "I kept on having to brush my arms off because these little gritty things had fallen on me and the wind was blowing. It had a lot of gray things

in it. So it wasn't like a normal wind." By the 1960s, she had already suffered colon, kidney, bladder and stomach cancer, a brain tumor and polyarthralgia (a blood disorder). By 1987, she was dead.

For more than a decade, Gal-

lagher interviewed and photographed hundreds of people, including soldiers who had been marched so close to ground zero they could look straight up into the dark mimbus of the mushroom cloud above them; poorly protect-

ed test-site workers who spent eight hours a day, day after day, preparing for and cleaning up after each "shot"; and "downwinders" like Joanne Workman, civilians who lived in the path of nuclear fallout.

The government called them "a low-use segment of the population," and a spokeswoman for the Department of Energy once told Gallagher — on tape — that "Those people in Utah don't give a [expletive] about radiation." Her name was Barbara Young. In his foreword to the book, the New York Times reporter Keith Schneider calls this project "the most prodigiously reckless program of scientific experimentation in U.S. history." For nearly 40 years, the government — the Defense Department, the Atomic Energy Commission and the Department of Energy — lied. It lied

BOOKS

WHAT THEY'RE READING

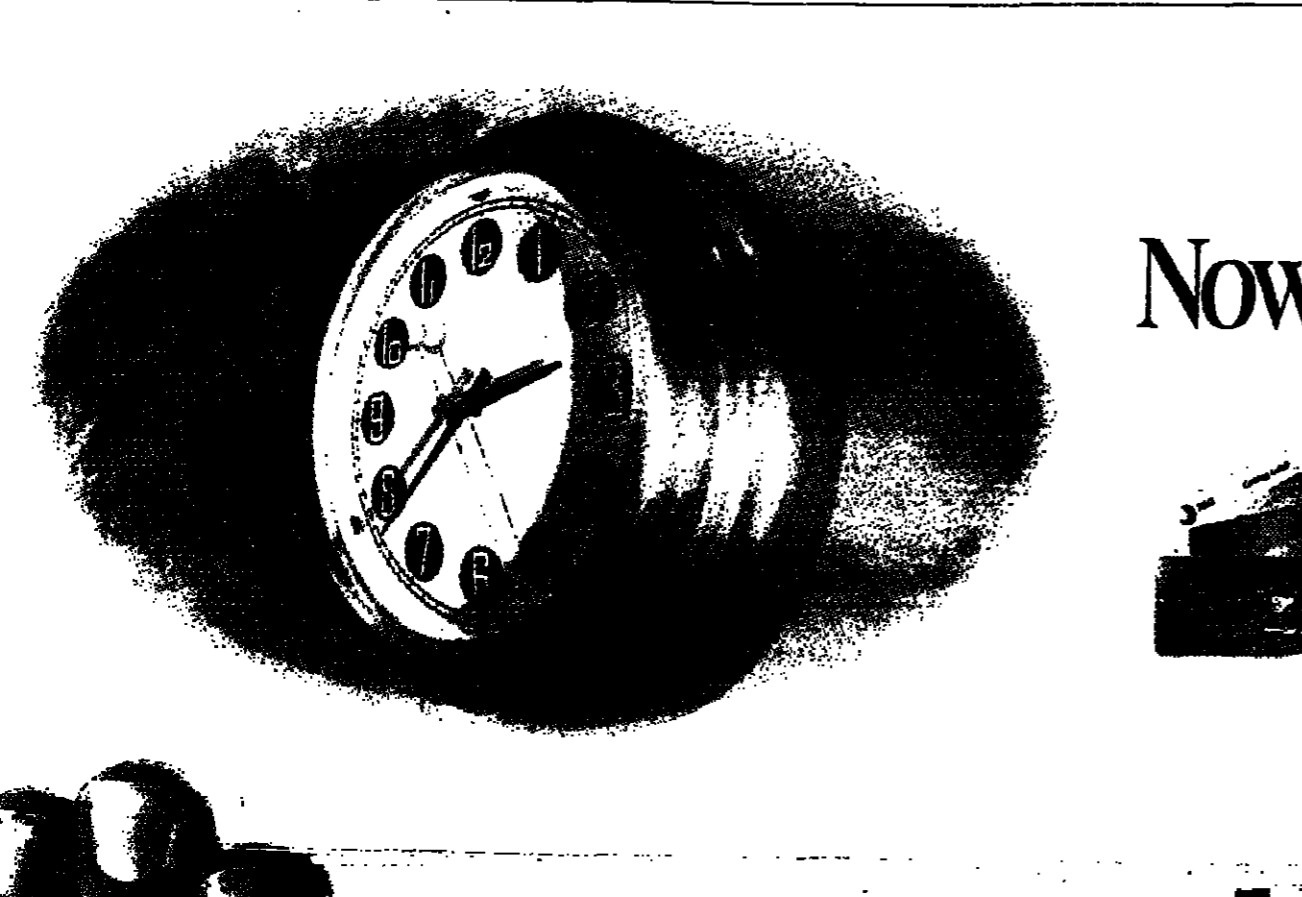
• Kermit Schoenholz of Salomon Brothers in London is reading "Keynes: The Economist as Savior," the second volume of Robert Skidelsky's biography. He also recommends "Staatenswillingen — Olive Enkel" by Helmut Schlegel, Manfred Weber and Gerhard Zierbach about "government and debt in general, with a lot of examples out of German experience." (Brandon Mitchener, IHT)

about the immediate effects of radiation sickness, about the levels of lethal exposure that human beings could tolerate, about the dangers of downwind fallout. It denied that there was any downwind fallout. When test-site workers turned in radiation-sensitive badges that indicated excessive levels of exposure, the badges were tossed away as "defective" and new ones issued.

In later years, when it became clear that long-term radiogenic effects included heart disease, various cancers, neurological disorders, immune system deficiency, sterility, birth defects, clinical depression and reproductive abnormalities, the government hunkered down in trenches of deception. The Veterans Administration refused to recognize radiation-linked medical problems among the "atomic soldiers" of the 1950s. Li-

ability claims filed by sick federal employees were denied. Records were falsified and destroyed. It was not until the early 1980s that Congress and the courts began to listen to the victims, and not until 1991 that President George Bush signed the Radiation Exposure Compensation Act that accepted responsibility and attempted redemption.

A happy ending? Not really. The law is much too little and much too late. Indeed, when looking at these faces and reading these memories, you know that there were no victims and no real survivors from the years of that dark, sputid malvolence; there are only victims who have not yet died. T. H. Watkins, editor of Wilderness magazine, wrote this for The Washington Post.



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